



# UBS Bank Sweep Programs Disclosure Statement

December 2023



This booklet contains disclosures required by federal law.

Please keep this information for future reference.

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## I. Summary

UBS Financial Services Inc. ("UBS," "we" or "us") offers three programs to automatically deposit, or "sweep," available cash balances not required to pay debits or charges ("Free Cash Balances") in a securities account ("Securities Account") into a deposit account ("Deposit Account") at one or more depository institutions at which deposits are insured by the Federal Deposit Insurance Corporation ("FDIC"). The three programs are (1) the UBS Deposit Account Sweep Program ("the Deposit Program"), (2) the UBS Insured Sweep Program ("the UBS-ISP") and (3) the UBS Business Account Sweep Program ("the Business Program"). The program available to you will be based upon your eligibility, as discussed below.

If you are enrolled in the Deposit Program or Business Program, your Free Cash Balances will be swept to a Deposit Account at UBS Bank USA (Bank USA), an FDIC member bank that is affiliated with UBS and, if applicable to your Securities Account, at UBS AG, Stamford Branch, an affiliate of UBS (the AG Stamford Branch). AG Stamford Branch is a US branch of a Swiss bank at which deposits are NOT insured by the FDIC. If you are enrolled in the UBS-ISP, your Free Cash Balances will be swept into a Deposit Account at Bank USA and one or more other FDIC-insured depository institutions (each a Program Bank).

This Section I provides a summary of the Bank Sweep Programs. You should carefully review the remaining sections for more detailed information.

### *Eligibility*

Your eligibility for one of the Bank Sweep Programs is based on the type of Securities Account that you have with UBS. See the section titled "II. Bank Sweep Programs Eligibility" for the eligibility for the Bank Sweep Programs. See also the chart labeled "Chart of Eligibility for UBS Bank Sweep Programs," which provides a summary of the eligibility for the Bank Sweep Programs.

### *Sweep Minimums*

For all of the Bank Sweep Programs, each business day, as long as all debits and charges to your Securities Account have been satisfied, we will sweep Free Cash Balances of \$1.00 or more from your Securities Account (other than IRAs and Plans (as defined below), for which we will sweep Free Cash Balances of \$0.01 or more), into your Deposit Account at Bank USA, AG Stamford Branch or other Program Bank, as applicable.

Business days are Monday through Friday, excluding bank holidays in the State of New York and New York Stock Exchange holidays.

### *Your Deposit Accounts*

We will establish one or more Deposit Accounts at Bank USA, AG Stamford Branch and each Program Bank, as applicable. Each Deposit Account will be a Money Market Deposit Account ("MMDA") and/or a Transaction Account ("TA") as those terms are defined in the Federal Reserve Board's Regulation D ("Regulation D"). Your only Deposit Account at Bank USA and AG Stamford Branch (if applicable) will be an MMDA. There are no limitations on withdrawals from your funds on deposit at Bank USA, AG Stamford Branch or the Program Banks, though Bank USA, AG Stamford Branch and the Program Banks reserve the right to require seven (7) days prior written notice before permitting a withdrawal of funds from an MMDA or a TA (provided the TA is not a demand deposit account as defined in Regulation D).

Your Deposit Accounts at Bank USA, AG Stamford Branch and the Program Banks are solely obligations of Bank USA, AG Stamford Branch and the Program Banks, respectively, and not of UBS. As further discussed below, you will not have a direct relationship with Bank USA, AG Stamford Branch or the Program Banks.

### *FDIC Deposit Insurance Available on Deposit Accounts at Bank USA and each Program Bank*

Funds on deposit at Bank USA and at each Program Bank are eligible for deposit insurance from the FDIC up to \$250,000 (including principal and accrued interest) for each insurable capacity in which you hold your Securities Account (e.g., individual, joint, corporate, IRA, etc.). Please refer to the section titled "XII. FDIC Insurance" for more information.

For Plans and Plan Participants (as defined below), deposit insurance coverage is based on each participant's non-contingent interest in the Plan. Any balances in Deposit Accounts at Bank USA or at a Program Bank in excess of the FDIC limit will not be insured. For purposes of determining the FDIC insurance coverage of your deposits, Deposit Accounts that you establish directly with Bank USA, or a Program Bank, or through an intermediary, such as UBS (including certificates of deposit issued by Bank USA and balances in UBS Core Savings), will be aggregated with all funds on deposit at Bank USA or a Program Bank through the Bank Sweep Programs and the UBS FDIC-Insured Deposit Program in the same insurable capacity. In addition, for purposes of FDIC insurance coverage, deposits of Plan.

Participants in certain Plans will be aggregated with deposits of the Plan Participant held in an IRA and other self-directed retirement accounts.

UBS will sweep Free Cash Balances in each of your Securities Accounts irrespective of how many Securities Accounts you hold in the same insurable capacity (e.g., individual, joint, corporate, IRA, Plan, etc.). Your Deposit Accounts for each of your Securities Accounts owned in the same insurable capacity are aggregated for FDIC insurance determination purposes.

You are responsible for monitoring the total amount of deposits that you have with Bank USA and each Program Bank to determine the extent of FDIC deposit insurance coverage available to you, including deposits through the Bank Sweep Programs.

**Neither UBS, Bank USA, the Program Banks nor their affiliates monitor the amount of your deposited funds to determine whether those amounts exceed the FDIC insurance limits applicable to your deposits at Bank USA and each Program Bank.**

**Balances in the Deposit Account at AG Stamford Branch are not covered by FDIC insurance.**

### *No SIPC Protection*

The Deposit Accounts at Bank USA, AG Stamford Branch and the Program Banks held in your Securities Account are not protected by the Securities Investor Protection Corporation (SIPC®).

**Funds on deposit at the AG Stamford Branch are not insured by the FDIC, SIPC or any governmental agency of the United States, Switzerland or any other jurisdiction. The Deposit Accounts are obligations of the AG Stamford Branch only, and are not obligations of UBS or of any of its other affiliates. The payment of principal and interest on Deposit Accounts at the AG Stamford Branch is subject to the creditworthiness of UBS AG, a subsidiary of UBS Group AG. In the unlikely event of the failure of the AG Stamford Branch, you will be a general unsecured creditor of UBS AG. See the section titled "VI. UBS AG and the AG Stamford Branch."**

### *Interest Rates*

Deposit Accounts in the Program Banks in the UBS-ISP will all pay the same rate, though that rate may vary between clients as described below.

Interest rates paid on balances in your Deposit Accounts at Bank USA, AG Stamford Branch and the Program Banks are based upon a variety of factors, including economic and business conditions. Bank USA, AG Stamford Branch and the Program Banks do not have to offer the highest rates available in the market or rates comparable to money market mutual fund yields, and the rates may be higher or lower than the interest rates available on other deposit accounts offered by Bank USA, AG Stamford Branch and the Program Banks or on deposit accounts offered by other depository institutions.

For clients other than Plans and Plan Participants, interest rates on the balances in the Deposit Accounts at Bank USA, AG Stamford Branch and the Program Banks are tiered based on total eligible deposits Terms and Conditions) you received after you opened your Securities Account (which is available at [ubs.com/accountdisclosures](https://ubs.com/accountdisclosures)), and "Eligible Deposits in a Marketing Relationship" for information about eligible deposits in a Marketing Relationship and how they are calculated.

For Plans and Plan Participants, interest rates on the balances in the Deposit Accounts at Bank USA and the Banks are tiered based on total eligible deposits in a Qualified Plan (QP)/SEP/SIMPLE Plan Relationship, as defined in “Eligible Deposits in QP/SEP/SIMPLE Relationship” below.

In general, clients with higher total eligible deposits in a Marketing Relationship or QP/SEP/SIMPLE Relationship, as applicable, will receive higher interest rates on the balances in their Deposit Accounts than clients with lower total eligible deposits in a Marketing Relationship or QP/SEP/SIMPLE Relationship.

Interest rates paid on the balances in the Deposit Accounts may change daily. Information regarding current interest rates on the balances in the Deposit Accounts is available online at [ubs.com/sweepyields](https://ubs.com/sweepyields) or by calling your Financial Advisor.

#### *Financial Benefits to UBS and Conflicts of Interest*

UBS receives, to the extent permitted by applicable law, an annual fee of up to \$50 from Bank USA and AG Stamford Branch for each Securities Account that sweeps through any of the Bank Sweep Programs into Deposit Accounts at Bank USA and AG Stamford Branch, respectively. The Program Banks will pay UBS a fee based upon a percentage of the average daily deposit balance in your Deposit Accounts at each Program Bank. UBS, Bank USA and AG Stamford Branch will also each receive certain additional benefits in connection with the Bank Sweep Programs.

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

For the relationship to qualify, one of two criteria must be met: either (i) at least \$5,000 in inflows using qualifying cash management services per month or (ii) at least five qualifying cash management transactions per month. Only activity and balances in eligible accounts, such as RMA and BSA within the relationship will be aggregated towards determining such qualifications and determine the cash balances. All advisory accounts, retirement accounts, qualified plans are ineligible. Financial Advisors have an incentive to recommend eligible cash management services because average daily cash balances in eligible accounts where those qualifying services are used are included in the calculation of the Financial Advisor’s compensation.

#### *Alternatives to the Bank Sweep Programs*

If you do not wish to have your Free Cash Balances swept through the Bank Sweep Programs, you may choose to have those balances remain uninvested in your UBS account where they will not earn any interest. Please contact your Financial Advisor for details.

If your Securities Account is not eligible to participate in one of the Bank Sweep Programs, your Securities Account may be eligible for a different sweep option. Please refer to the section in the Client Relationship Agreement entitled “Our Sweep Options and Your Sweep Election.”

You may wish to consider alternatives to the available sweep options for the investment of your Free Cash Balances. Such alternatives will require you to direct us to invest your Free Cash Balances, rather than having your Free Cash Balances automatically swept.

#### *Trust Accounts*

Securities Accounts owned by a revocable trust or irrevocable trust if all trust beneficiaries are natural persons and/or nonprofit organizations are enrolled in the UBS FDIC-Insured Deposit Program. The terms and conditions of that program can be found at [ubs.com/fdicinsureddepositprogram](https://ubs.com/fdicinsureddepositprogram).

## **II. Bank Sweep Programs Eligibility**

The Deposit Program is available only to:

- Retirement advisory accounts, including Individual Retirement Accounts and Qualified Plans in Discretionary Programs, SWP, CAP, Institutional Consulting and Separately Managed Account Programs (ACCESS or MAC) managed by a UBS affiliate
- Individual participant accounts under a defined contribution plan that are managed on a discretionary basis
- Retail accounts (as described below) that are enrolled in the Deposit Program prior to November 18, 2019 and elected to have Free Cash Balances swept to Bank USA up to a maximum of \$250,000 per account owner, with excess funds deposited without limit at AG Stamford Branch (Legacy Accounts)

The Business Program is available only to:

- Business accounts (as described below) that are enrolled in the Business Program prior to November 18, 2019 and elected to have Free Cash Balances swept to Bank USA up to a maximum of \$250,000 per account owner, with excess funds deposited without limit at AG Stamford Branch (Legacy Business Accounts)
- Individual participant accounts under a defined contribution plan that are managed on a discretionary basis

The UBS-ISP is available only to:

- Individuals
- Business entities, such as corporations, sole proprietorships, governmental entities, partnerships, limited liability companies, associations and business trusts
- Nonprofit organizations including organizations described in Sections 501(c)(3) through (13) and (19) of the Internal Revenue Code
- Estates
- Revocable Trusts owned by US residents (if one (1) or more beneficiaries is a business entity)
- Irrevocable Trusts owned by US residents (if one (1) or more beneficiaries is a business entity)
- All Trusts owned by non-US residents
- Custodial accounts (if none of the beneficiaries is a business entity)
- Legacy Accounts and Legacy Business Accounts (clients must contact their Financial Advisor to enroll in the UBS-ISP)
- Individual Retirement Accounts (IRA), including traditional, Roth, SEP and SIMPLE IRAs\*
- Employee benefit plans qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended (the Code), or governmental plans under section 457 of the Code or any other employee retirement or welfare plan subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA) (Plans), including individual participant accounts under a defined contribution plan\*
- Retirement accounts owned (or trustee) by a business such as estates, business entities or trusts

\* If accounts/plans are in Discretionary Programs, SWP, CAP, Institutional Consulting or Separately Managed Account Programs (ACCESS or MAC) managed by a UBS affiliate, then they are not eligible for UBS-ISP and will remain in the UBS Deposit Program.

Individuals are referred to as “Retail” accounts.

Business entities, nonprofit organizations, estates, eligible revocable and irrevocable trusts, eligible custodial accounts, sole proprietorships and governmental entities are referred to as “Business” accounts.

Note that UBS, at its discretion, will consider a client to be ineligible if UBS becomes aware that the entity is prohibited as a matter of law from holding funds at Bank USA.

Securities Accounts that are not eligible for the Bank Sweep Programs (Ineligible Accounts) include (1) any Securities Account owned by a financial institution, (2) Plans with a pooled plan structure and (3) Plans established under Section 403(b)(7) of the Code. **Please ask your Financial Advisor for information on how to provide information about trust beneficiaries to us.**

Financial institutions include the following entities and any others that we may add from time to time: insurance companies, broker-dealers, investment advisors, mutual fund companies, hedge fund companies, private pension funds, public retirement funds, state and federal chartered banks, state and federal chartered credit unions, state and federal chartered savings associations, and state and federal chartered trust companies.

We may change the eligibility requirements for the Bank Sweep Programs at any time at our discretion. In addition, we may grant exceptions to the eligibility requirements for the Bank Sweep Programs at our discretion. Your Financial Advisor can provide you with additional information about eligibility for the Bank Sweep Programs.

### **III. Operation of the Deposit Program and the Business Program**

#### *Establishment of, and Deposit Into, the Deposit Account*

With respect to the Deposit Program, when Free Cash Balances in your Securities Account are first available to be swept to Bank USA, UBS, acting as your agent, will open a Deposit Account on your behalf at Bank USA. For all Securities Accounts except Legacy Accounts, UBS, acting as your agent, will deposit Free Cash Balances into your Deposit Account at Bank USA without regard to the FDIC insurance limit. For Legacy Accounts, UBS, acting as your agent, will deposit Free Cash Balances into your Deposit Account at Bank USA up to \$250,000. Once funds equal to \$250,000 have been deposited into the Deposit Account at Bank USA, UBS, acting as your agent, will open a Deposit Account on your behalf at AG Stamford Branch and place funds in excess of \$250,000, without limit, in your Deposit Account at AG Stamford Branch.

With respect to the Business Program, when Free Cash Balances in your Securities Account are first available to be swept to Bank USA, UBS, acting as your agent, will open a Deposit Account on your behalf at Bank USA. For all Securities Accounts, except Legacy Business Accounts, UBS, acting as your agent, will deposit Free Cash Balances into your Deposit Account at Bank USA without regard to the FDIC insurance limit. For Legacy Business Accounts, UBS, acting as your agent, will deposit Free Cash Balances into your Deposit Account at Bank USA up to \$250,000.

Once funds equal to \$250,000 have been deposited into the Deposit Account at Bank USA, UBS, acting as your agent, will open a Deposit Account on your behalf at AG Stamford Branch and place funds in excess of \$250,000, without limit, in your Deposit Account at AG Stamford Branch.

Although the Deposit Accounts are an obligation of Bank USA and AG Stamford Branch, not UBS, you will not have a direct relationship with Bank USA or AG Stamford Branch. All deposits and withdrawals will be made by UBS on your behalf. Information about your Deposit Account may be obtained from UBS, not Bank USA or AG Stamford Branch.

**You are responsible for monitoring the total amount of deposits that you have with Bank USA to determine the extent of FDIC deposit insurance coverage available to you, including deposits through all Bank Sweep Programs.**

**Neither UBS, Bank USA nor their affiliates monitor the amount of your deposited funds to determine whether those amounts exceed the FDIC insurance limit applicable to your deposits at Bank USA or are not responsible for any insured or uninsured portion of the Deposit Accounts at Bank USA.**

**If you have multiple Securities Accounts at UBS in the same insurable capacity that sweep into Bank USA, or if you hold other deposits at Bank USA (including certificates of deposit and UBS Core Savings), your deposit balances may exceed FDIC insurance limits at Bank USA.**

**Balances in the Deposit Account at AG Stamford Branch are not covered by FDIC insurance.**

**You should carefully review the section titled "XII. FDIC Insurance."**

Interest on the Deposit Account will be accrued daily. Interest accrued through the fourth business day of the month will be credited to your Securities Accounts on the fifth business day of the month. See the section titled "V. Bank Sweep Programs Interest Rates" for more information.

#### *Withdrawal Procedures*

UBS, as your agent, will satisfy any debits or charges in your Securities Account by withdrawing funds as set forth in the General Terms and Conditions.

Debits are amounts due to UBS on settlement date for securities purchases, other transactions and fees associated with your Securities Account, including, without limitation, margin loans. Charges are amounts due to UBS for checks, bill payments and electronic funds transfers, UBS debit card purchases and cash withdrawals. No debits or charges, including, without limitation, charges resulting from check writing, will be satisfied directly from your Deposit Account.

#### *Prior Written Notice of Withdrawal*

As required by federal banking regulations, Bank USA, AG Stamford Branch and the Program Banks reserve the right to require seven (7) days' prior written notice before permitting a withdrawal of funds from an MMDA or a TA (provided the TA is not a demand deposit account as defined in Regulation D). Bank USA, AG Stamford Branch and the Program Banks do not have any intention of exercising this right at the present time.

### **IV. Operation of the UBS-ISP**

#### *Priority List*

Through the UBS-ISP, UBS will sweep Free Cash Balances into the Deposit Accounts at the Program Banks set forth in UBS Bank Priority Lists applicable to your Securities Account ("Priority List"). Bank USA will be the first bank on each Priority List. Program Banks appear on the Priority List in the order in which the Deposit Account will be opened for you and your funds will be deposited. UBS may change the Priority List from time to time, as further described in "Changes to the Priority List" section below.

The Priority List is attached. It is also available at [ubs.com/bankprioritylists](https://ubs.com/bankprioritylists) or by contacting your Financial Advisor. You should review the Priority List carefully.

You may not change the order of the Program Banks on the Priority List. However, you may at any time designate a Program Bank (other than Bank USA) as ineligible to receive your funds. This will result in your funds being deposited into a Deposit Account at the next Program Bank on the Priority List, as amended by you. In addition, you may at any time instruct us to remove your funds from a Program Bank, close your Deposit Account with the Program Bank and designate the Program Bank as ineligible to receive future deposits. Unless you direct us to place your funds in a different investment, your funds from a closed Deposit Account will be deposited in a Deposit Account at the first available Program Bank set forth on the Priority List, as amended by you.

If you wish to designate a Program Bank as ineligible to receive your funds, please contact your Financial Advisor.

#### *Establishment of, and Deposits Into, the Deposit Accounts*

When Free Cash Balances in your Securities Account are first available to be swept, UBS, as your agent, will establish a Deposit Account for you at Bank USA, the first bank on the Priority List. UBS will place up to \$249,000 (\$498,000 for joint accounts of two or more individuals) (the Deposit Limit) of your Free Cash Balances in Bank USA, irrespective of the capacity in which you hold your Securities Account and of the FDIC deposit insurance limit available for the deposits held in that capacity. Once your funds in the Deposit Account at Bank USA reach the Deposit Limit, UBS, as your agent, will open a Deposit Account for you at the next Program Bank on the Priority List and place your additional funds in that Program Bank. Once funds equal to the Deposit Limit have been deposited for you through the UBS-ISP in each Program Bank on the



Priority List, any additional cash balances will be swept to the Deposit Account at Bank USA, which is the first bank on the Priority List. If this occurs, your balances at Bank USA may exceed the FDIC insurance limit of \$250,000 per account owner.

Although the Deposit Accounts are obligations of Bank USA or the Program Bank and not UBS, you will not have a direct relationship with the Program Banks. All deposits and withdrawals will be made by UBS on your behalf. Information about your Deposit Accounts may be obtained from UBS, not Bank USA or the Program Banks.

#### *Withdrawal Procedures*

UBS, as your agent, will satisfy any debits (including charges relating to bill payments, electronic funds transfers, UBS debit card purchases and cash withdrawals) in your Securities Account by withdrawing funds from the sources set forth in the General Terms and Conditions.

If a withdrawal of funds from your Deposit Accounts is necessary to satisfy a debit in your Securities Account, UBS as your agent will withdraw funds from your Deposit Accounts at Bank USA and the Program Banks on the Priority List beginning with the any balances in excess of the Deposit Limit at Bank USA (if any), then from balances from the lowest priority Program Bank on the Priority List at which your funds have been deposited. If there are insufficient funds, funds will be withdrawn from each Program Bank in the sequence (lowest priority to highest priority) until the debit is satisfied.

#### *Changes to the Priority List*

UBS may change the number of Program Banks on the Priority List by adding Program Banks to, or deleting Program Banks from, the Priority List. One or more of the Program Banks included on the Priority List may be replaced with a bank not previously included on the Priority List and the order of Program Banks on the Priority List may change. In general, you will receive notification in advance of such changes and have an opportunity to designate a Program Bank as ineligible to receive your deposits before any funds are deposited into a new Program Bank or in a new sequence. However, if a Program Bank is unable to accept deposits for regulatory or other reasons, UBS may not be able to provide you with advance notice. UBS will provide you notice of such changes as soon as practicable.

If a Program Bank on the Priority List is unable to accept deposits for regulatory or other reasons, funds deposited in other Program Banks on the Priority List while it is unable to accept deposits will not be reallocated to it when it is able to accept deposits. This could result in a Program Bank on the Priority List having a smaller deposit balance than Program Banks in a lower priority position on the Priority List. When the Program Bank that was unable to accept your funds is again able to accept your funds, additional cash balances in your Securities Account will be placed in that Program Bank up to the Deposit Limit.

In the event that the order of Program Banks on the Priority List is changed, on the day on which the revised Priority List is effective your previously deposited funds will be reallocated among the Program Banks on the revised Priority List in accordance with the deposit procedures described above under "Establishment of, and Deposits into, the Deposit Accounts," unless a given Program Bank on the revised Priority List is unable to accept deposits for regulatory or other reasons. In such case, that Program Bank will not have funds reallocated to it. This could result in a Program Bank on the Priority List having a smaller deposit balance than one or more Program Banks in a lower priority position on the Priority List. When the Program Bank that was unable to accept your funds is again able to accept your funds, available cash balances in your Securities Account will be placed in that Program Bank as described above under "Establishment of, and Deposits into, the Deposit Accounts." Other than as described above, deposits and withdrawals of your funds made after a change to the Priority List will occur as described above under "Establishment of, and Deposits into, the Deposit Accounts" and "Withdrawal Procedures," respectively. If a Program Bank at which you have Deposit Accounts no longer makes the Deposit Accounts available, you will be notified by UBS and given the opportunity to establish a direct depository relationship with the Program Bank, subject to its rules with respect to establishing and maintaining deposit accounts.

If you choose not to establish a direct depository relationship with the Program Bank, your funds will be withdrawn and transferred to the next available Program Bank on the Priority List.

## **V. Bank Sweep Programs Interest Rates**

### *General*

Interest rates will be established periodically based on prevailing business and economic conditions, as well as the nature and scope of your relationship with us.

Interest rates paid on the Deposit Accounts may change daily. New interest rates will be made available on the business day following the day when the interest rate is set, and will apply to balances in the Deposit Accounts on the day it is made available. Information regarding current interest rates is available online at [ubs.com/sweepyields](https://ubs.com/sweepyields), through UBS Online Services or by calling your Financial Advisor.

If the UBS-ISP is your sweep option, Bank USA and the Program Banks will pay the same rate of interest. For all three Bank Sweep Programs, Bank USA and AG Stamford Branch, as applicable, will generally pay the same rate of interest on Deposit Accounts. However, the interest rates available through the Deposit Program, Business Program and UBS-ISP may differ. In addition, clients enrolled in different Bank Sweep Programs may be eligible for different interest rates based upon their interest rate tiers. Interest will accrue on the Deposit Account balances from the day funds are deposited at Bank USA, AG Stamford Branch or the Program Banks, as applicable, through the business day preceding the date of withdrawal from Bank USA, AG Stamford Branch or the Program Banks, as applicable. Interest on Deposit Account balances will be accrued daily during the interest period. For the Deposit Program and the Business Program, interest will be rounded up or down each day to the nearest \$0.01. As a result, balances in the Deposit Accounts that earn daily total interest of less than half a cent will not accrue any interest. For the UBSISP, the daily accrued interest amounts will be aggregated at the end of the interest period then rounded up or down to the nearest \$0.01. If the total accrued interest is less than half a cent, no interest will be paid. Interest accrued through the fourth business day of the month will be credited to your Securities Accounts on the fifth business day of the month. Please note that due to year-end processes, in addition to the regular crediting of interest in January of each year, interest will also be credited on the first business day of January (as of the last business day in December).

The interest on the Deposit Accounts may be higher or lower than the interest rates available to depositors making deposits directly with Bank USA, AG Stamford Branch, the Program Banks or other depository institutions in comparable accounts. You should compare the terms, interest rates, required minimum amounts, charges and other features of the Deposit Accounts with other accounts and alternative investments.

### *Interest Rate Tiers*

#### *Clients other than Plans and Plan Participants*

Interest rates at Bank USA, AG Stamford Branch and the Program Banks are tiered based on the amount of a client's eligible deposits in a Marketing Relationship (as defined in the General Terms and Conditions). Generally, clients with a higher amount of deposits in a Marketing Relationship will receive higher interest rates on the Deposit Accounts than those with a lower amount of deposits in a Marketing Relationship.

#### *Eligible Deposits in a Marketing Relationship*

Eligible deposits in a Marketing Relationship include certificates of deposit issued by Bank USA, Bank USA Core Savings, all deposits at Bank USA, AG Stamford Branch and participating banks through the Bank Sweep Programs, and all deposits at Bank USA and participating banks through the UBS FDIC-Insured Deposit Program. The amount of eligible deposits in a Marketing Relationship will be calculated at the end of each calendar month. This amount will then be used to determine the interest rate tier for the interest period beginning on the fifth business day of the next month.

If you establish a new Securities Account and have funds swept to Deposit Accounts through one of the Bank Sweep Programs, your Deposit Accounts will earn the interest rate assigned to the \$500,000 to \$999,999 interest rate tier until the amount of eligible deposits in a Marketing Relationship is calculated at the end of the following calendar month. However, if you have a preexisting relationship with UBS, your Deposit Accounts will earn the interest rate assigned to the interest rate tier applicable to the amount of eligible deposits in a Marketing Relationship held in your existing Securities Account(s) as of the prior calendar month-end.

If your Securities Account is a SEP IRA or SIMPLE IRA and is associated with accounts in the same employer's plan, then your SEP IRA or SIMPLE IRA will not be included in the Marketing Relationship that includes your individual accounts. Instead, eligible deposits in your SEP IRA or SIMPLE IRA will be aggregated with eligible deposits held in all accounts that are identified as part of a plan sponsored by the same employer as described below.

#### *Plans and Plan Participants and SEP/SIMPLE IRAs*

Interest rates on the Deposit Accounts at Bank USA and the Program Banks are tiered based on the amount of eligible deposits in the Plan's QP/SEP/SIMPLE Relationship, as defined below.

In general, a higher amount of eligible deposits in a Plan's QP/SEP/SIMPLE Relationship will receive higher interest rates on the Deposit Accounts than Plans with a lower amount of eligible deposits in a Plan's QP/SEP/SIMPLE Relationship. A Plan Participant's interest rate tier is determined by the amount of eligible deposits in a Plan's QP/SEP/SIMPLE Relationship.

#### *Eligible Deposits in a QP/SEP/SIMPLE Relationship*

Eligible deposits in a QP/SEP/SIMPLE Relationship include certificates of deposit issued by Bank USA, UBS Bank USA Core Savings, all deposits at Bank USA and participating banks through the Bank Sweep Programs, and all deposits at Bank USA and participating banks through the UBS FDIC-Insured Deposit Program. UBS determines the amount of eligible deposits in a QP/SEP/SIMPLE Relationship as the eligible deposits of a Plan held in Securities Accounts with the same Employer Identification Number (EIN) or Tax ID Number and Plan name, including eligible deposits in Securities Accounts held by Plan Participants, if applicable. We reserve the right, in our sole discretion, to grant exceptions to our QP/SEP/SIMPLE Relationship policies.

The amount of eligible deposits in a Plan's QP/SEP/SIMPLE Relationship will be calculated at the end of each calendar month. This amount will then be used to determine the interest rate tier for the interest rate period beginning on the fifth business day of the next month.

The interest rate tiers for both Bank Sweep Programs, determined by eligible deposits in a Marketing Relationship or QP/SEP/SIMPLE Relationship, as applicable, are:

#### **Interest Rate Tiers**

\$5 million and more
\$2 million to \$4,999,999
\$1 million to \$1,999,999
\$500,000 to \$999,999
\$250,000 to \$499,999
Less than \$250,000

UBS reserves the right to change the interest rate tiers at any time without notice, including utilizing different tiers in each of the Bank Sweep Programs. Information regarding current interest rates and interest rate tiers is available online at [ubs.com/sweepyields](https://ubs.com/sweepyields), through UBS Online Services or by calling your Financial Advisor.

## **VI. UBS AG and the AG Stamford Branch**

### *Overview of UBS AG and the AG Stamford Branch*

UBS AG is organized under Swiss company law as a corporation and is authorized to engage in banking activity pursuant to the Federal Banking Law of Switzerland. UBS AG is a subsidiary of UBS Group AG, which is the parent company of the UBS group of companies (all subsidiaries and affiliates, including UBS AG, Bank USA and UBS Financial Services Inc.) ("the Group"). The Group engages primarily in wealth management, retail and corporate banking, investment banking and asset management.

The Group operates in many countries around the world and is a leading provider of coordinated global services to multinational corporations and financial institutions in the world's main financial centers.

The AG Stamford Branch is a legal and operational extension of UBS AG and is not a separately capitalized entity. The AG Stamford Branch is supervised by the Board of Governors of the Federal Reserve System (Board). The AG Stamford Branch is authorized to engage in the same broad range of banking activities as branches of US banks. Deposit Accounts at the AG Stamford Branch are not eligible for insurance by the FDIC, SIPC or any governmental agency of the United States, Switzerland or any other jurisdiction. You may obtain the current credit ratings of UBS AG, as assigned by Moody's and Standard and Poor's, at [moody.com](https://www.moody.com) and [standardandpoors.com](https://www.standardandpoors.com). You will be asked to register before gaining access to the ratings information, but will not be charged a fee.

A credit rating is not a recommendation by the credit rating agency, UBS, UBS Group AG, UBS AG or the AG Stamford Branch to purchase, hold or sell an investment or a Deposit Account in as much as a credit rating does not comment as to investment return or suitability for a particular investor. A credit rating assigned to UBS AG is solely the view of the assigning credit rating agency, addresses the likelihood of the payment of UBS AG's liabilities according to their terms and is subject to any limitation that the assigning credit rating agency may impose.

UBS is not obligated to notify you of any changes in the credit rating of UBS AG or the AG Stamford Branch, and you should not rely on such notification. Under certain circumstances, such as a violation of any law, unsafe business practices or the initiation of liquidation proceedings against UBS AG, or the appropriate Federal banking agency, in the event of a liquidation proceeding, is authorized to take possession of the business and property of the AG Stamford Branch. Should such circumstances arise, acceptance or rejection of creditor claims against the AG Stamford Branch and UBS AG by the appropriate Federal banking agency will not prejudice such creditor rights to share in the assets of UBS AG.

### *Availability of Certain UBS Group AG Documents*

UBS Group AG is required to submit to the Board, within four months of the close of its fiscal year, an Annual Report of Foreign Banking Organizations (Annual Report). Among other things, this Annual Report requires the submission of consolidated financial statements of UBS Group AG's subsidiaries, share and shareholder information, risk-based capital ratios, and information concerning the ownership and structure of UBS Group AG's operations.

UBS Group AG must also report within 30 days of their occurrence any significant changes in its US operations. A copy of the Annual Report (Form FR Y-7) filed by UBS Group AG may be obtained by request by facsimile (202-872-7565) or electronically (see instructions at [federalreserve.gov/secure/forms/efoiaform.aspx](https://www.federalreserve.gov/secure/forms/efoiaform.aspx)).

UBS Group AG files annual reports on Form 20-F and other information with the Securities and Exchange Commission (SEC). Among other things, this report contains UBS Group AG's financial and operating performance for the most recently completed fiscal year, consolidated financial statements and the accompanying notes, and a summary of risks associated with UBS Group AG's businesses.

The most recent information filed with the SEC automatically updates and supersedes earlier information. The documents filed with the SEC are publicly available by accessing the SEC's EDGAR filing system at [sec.gov/edgar/searchedgar/companysearch.html](http://sec.gov/edgar/searchedgar/companysearch.html).

UBS AG files quarterly a Report of Assets and Liabilities of US Branches and Agencies of Foreign Banks (Report) with respect to the AG Stamford Branch. The Report is publicly available by accessing the National Information Center's website at [ffiec.gov/nicpubweb/nicweb/NicHome.aspx](http://ffiec.gov/nicpubweb/nicweb/NicHome.aspx).

UBS does not guarantee in any way the financial condition of UBS Group AG, UBS AG or the AG Stamford Branch or the accuracy of any publicly available financial information concerning UBS Group AG, UBS AG or the AG Stamford Branch.

UBS is not obligated to inform you of any changes in the financial condition of UBS Group AG, UBS AG or the AG Stamford Branch and you should not rely on such notification.

## VII. Viewing Information About Your Deposit Accounts

All activity in your Deposit Accounts at Bank USA, AG Stamford Branch and the Program Banks, including the initial deposit, opening and closing balances and any interest earned for the period, will appear on your periodic Securities Account statement.

With UBS Online Services, you can view your Securities Account information and monitor balances in your Deposit Accounts online at any time. To enroll, contact your Financial Advisor. UBS Online Services is free of charge for all Securities Accounts.

## VIII. Changes to the Bank Sweep Programs

UBS may modify or terminate any Bank Sweep Program at any time in its sole discretion. Modifications to the Bank Sweep Programs may include, but are not limited to, changing the terms and conditions, or adding or eliminating Program Banks. Changes to a Bank Sweep Program will be effective as described in the General Terms and Conditions.

We will notify you in advance of any material changes to the Bank Sweep Programs in which you participate. If additional depository institutions are added to the Bank Sweep Program in which you participate, we will give you the opportunity to designate the new depository institution as ineligible to receive your deposits before any funds are deposited into a new depository institution.

If we eliminate the Bank Sweep Program in which you participate or you become ineligible for that Bank Sweep Program, we may upon 30 days advance notice to you withdraw your funds from your Deposit Accounts and place your funds in the available sweep option for which you are eligible.

## IX. Notices

All notices to you regarding the Bank Sweep Programs may be by means of a letter, an entry on your periodic Securities Account statement, an entry on a trade confirmation or by any means set forth in the General Terms and Conditions.

## X. Your Relationship with UBS, Bank USA, AG Stamford Branch and the Program Banks

Under the Bank Sweep Programs, UBS acts as your agent in establishing Deposit Accounts at Bank USA, AG Stamford Branch and the Program Banks and depositing funds into them and withdrawing funds from them. As a client of UBS, you will not have a direct account relationship with Bank USA, AG Stamford Branch or the Program Banks. Your ownership of the deposited funds will be evidenced by a book entry on the records of Bank USA and AG Stamford Branch, as applicable, and by the records UBS maintains as your custodian. No passbook, certificate or other evidence of ownership will be issued to you. As discussed above, your periodic Securities Account statements will reflect the balances in your Deposit Accounts at Bank USA, AG Stamford Branch and the Program Banks. You should retain the statements for your records.

The Deposit Account at Bank USA constitutes an obligation only of Bank USA, and is not guaranteed directly or indirectly by UBS AG, UBS or any of their other subsidiaries or affiliates. Each Deposit Account at AG Stamford Branch and each of the Program Banks constitutes an obligation of AG Stamford Branch and the Program Bank, respectively, and is not guaranteed directly or indirectly by UBS or Bank USA. The payment of principal and interest on the Deposit Account at the AG Stamford Branch is subject to the creditworthiness of UBS AG. Publicly available financial information about Bank USA is available at [ffiec.gov/nicpubweb/nicweb/NicHome.aspx](http://ffiec.gov/nicpubweb/nicweb/NicHome.aspx) or by contacting the FDIC Public Information Center by mail at L. William Seidman Center, Virginia Square, 3501 North Fairfax Drive, Arlington, Virginia 22226 or by phone at 703-562-2200.

Sources for publicly available financial information about UBS AG and AG Stamford Branch are set forth above.

**UBS may, in its sole discretion and without notice, terminate your participation in a Bank Sweep Program at any time. Similarly, you may terminate your participation in a Bank Sweep Program at any time by contacting your Financial Advisor. In either case, unless you are a Plan Participant, you may establish a direct relationship with Bank USA, AG Stamford Branch or a Program Bank, subject to the policies of Bank USA, AG Stamford Branch or the Program Bank, by requesting to have the Deposit Accounts established in your name. This will result in the separation of the Deposit Accounts from your Securities Account. If you are a Plan Participant, you may not establish a direct relationship with Bank USA, AG Stamford Branch or a Program Bank by requesting to have the Deposit Accounts established in your name unless permitted by the documents governing the Plan, and subject to the policies of Bank USA, AG Stamford Branch or the Program Banks, as applicable.**

UBS receives, to the extent permitted by applicable law, an annual fee of up to \$50 from both Bank USA and AG Stamford Branch, for each Securities Account that sweeps through the Bank Sweep Programs into Deposit Accounts at Bank USA and AG Stamford Branch, respectively. UBS reserves the right to increase, decrease or waive all or part of this fee.

Other than applicable fees and charges imposed by UBS on your Securities Account (such as for returned checks or stop payments), which are described in the "Fees and Charges" section of the Agreements and Disclosures booklet, there will be no charge, fee or commission imposed on your Securities Account with respect to the Bank Sweep Programs.

### *Fees to UBS through the UBS-ISP*

All Program Banks will pay Bank USA a fee equal to a percentage of the average daily deposit balance in your Deposit Accounts at the Program Bank. The fee may vary from Program Bank to Program Bank. In its discretion, UBS may reduce its fee and may vary the amount of the reductions among clients. In its discretion, UBS may reduce its fee and may vary the amount of the reductions among clients.

Your Financial Advisor does not currently receive a fee in connection with the Deposit Program or the UBS-ISP. UBS reserves the right to pay a fee to your Financial Advisor in connection with the Deposit Program or the UBS-ISP at any time without prior notice. Upon request, UBS will provide you with information about UBS's compensation arrangements with respect to its sweep options, including the UBS-ISP.

## XI. Benefits to UBS and Bank USA

Deposits at Bank USA and AG Stamford Branch provide a stable source of funding that Bank USA and AG Stamford Branch use to support their lending and investments activities. Bank USA and AG Stamford Branch will seek to make a profit by achieving a positive "spread," or difference, between (a) the sum of the amount of interest that it pays for deposits, and (b) the sum of the amount of interest that it charges for loans and the return on investments made with any deposits that it does not need to fund loans.

As with other depository institutions, the profitability of Bank USA and AG Stamford Branch is determined largely by the difference between the



interest paid and the costs associated with its deposits, and the interest or other income earned on its loans, investments and other assets.

Like other depository institutions, Bank USA and AG Stamford Branch improve their profitability when they lower the interest rates paid on their deposits, including the Deposit Accounts. Neither Bank USA nor AG Stamford Branch has any obligation to pay interest based upon their profitability or the income earned on their loans, investments or other assets.

The UBS-ISP provides additional benefits to Bank USA. Through an arrangement with the Program Banks and other depository institutions (Reciprocal Deposit Arrangement), Bank USA may receive an amount of deposits equal to deposits UBS clients place with the Program Banks through the UBS-ISP on any day. In addition, Bank USA may receive certain fees in connection with the deposits it receives through the Reciprocal Deposit Arrangement. Further, the Reciprocal Deposit Arrangement provides certain regulatory benefits to Bank USA that could lower costs and increase its overall profits.

Free Cash Balances are not segregated from other cash balances and UBS may use Free Cash Balances in the ordinary course of our business as permitted by applicable law.

Your Financial Advisor does not receive a portion of the revenue sharing payments or the fees received from Bank USA or AG Stamford Branch for the Deposit Accounts.

## **XII. FDIC Insurance**

### *General Information*

**Deposit Accounts at AG Stamford Branch are not insured by the FDIC, SIPC or any governmental agency of the United States, Switzerland or any other jurisdiction. Deposit Accounts at AG Stamford Branch are obligations of AG Stamford Branch only, and are not obligations of UBS or of any of its other affiliates. The payment of principal and interest on Deposit Accounts at AG Stamford Branch is subject to the creditworthiness of UBS AG. In the unlikely event of the failure of AG Stamford Branch, you will be a general unsecured creditor of UBS AG.**

In general, Deposit Accounts at Bank USA and the Program Banks are insured by the FDIC, an independent agency of the US government, to a maximum amount equal to \$250,000 per depositor (including principal and accrued interest) when aggregated with all other deposits held by the depositor in the same insurable capacity at Bank USA or the Program Bank. As described below, the Deposit Accounts of certain depositors, including Plans and trusts, will be eligible for insurance on a "pass-through" basis based upon the interests of participants in the Plans or beneficiaries of the trusts.

Your deposit balances become eligible for deposit insurance immediately upon placement in your Deposit Account at Bank USA or a Program Bank. Generally, any accounts or deposits (including certificates of deposit issued by Bank USA or the Program Bank) that you maintain directly with Bank USA, a Program Bank or through an intermediary (such as UBS) in the same insurable capacity in which the deposits in the Deposit Accounts are maintained, will be aggregated with the deposits in your Deposit Account for purposes of calculating the maximum insurance amount.

In the unlikely event that Bank USA or a Program Bank should fail, the Deposit Accounts are insured, up to the maximum insurance amount, for principal and interest accrued to the day Bank USA or the Program Bank is closed. Interest is determined for insurance purposes in accordance with federal law and regulations.

Note that if you hold multiple Securities Accounts with UBS in the same insurable capacity that sweep Free Cash Balances through the Deposit Program, once cash in those Securities Accounts exceeds \$250,000 in the aggregate, then your funds on deposit with Bank USA will exceed FDIC insurance coverage limits. If the UBS-ISP is your sweep option and if you have reached the Deposit Limit at each Program Bank, any additional cash balances in your Securities Account will be swept to your Deposit Account at Bank USA, which is the first bank on the Priority List. If this occurs, your balances at Bank USA may exceed the FDIC insurance limit of \$250,000.

**You are responsible for monitoring the total amount of deposits that you have with Bank USA and each Program Bank in order to determine the extent of deposit insurance coverage available to you.**

Neither UBS nor UBS Group AG will be responsible for any insured or uninsured portion of the Deposit Account, CDs or any other deposits at Bank USA.

In the unlikely event that federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to you. There is no specific time period during which the FDIC must make insurance payments available. You may be required to provide documentation to the FDIC and UBS before insurance payments are made. For example, if you hold deposits as trustee for the benefit of trust participants, you may be required to furnish affidavits and provide indemnities regarding an insurance payment.

Under certain circumstances, if you become the owner of deposits at Bank USA or a Program Bank because another depositor dies, beginning six months after the death of the depositor, the FDIC will aggregate those deposits to calculate the maximum insurance amount with any other deposit that you own in the same insurable capacity at Bank USA or the Program Bank, as applicable.

Examples of accounts that may be subject to this FDIC policy include joint accounts, "payable on death" accounts and certain trust accounts. The FDIC provides the six-month "grace period" to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible. If deposits in your Deposit Accounts or other deposits at Bank USA or a Program Bank are assumed by another depository institution as a result of a merger or consolidation, such deposits will continue to be separately insured from deposits that you might have established with the acquirer until the expiration of a six-month period from the date of the acquisition.

Thereafter, any assumed deposits will be aggregated with your existing deposits with the acquirer held in the same insurable capacity for purposes of federal deposit insurance. Any deposit opened at the depository institution after the acquisition will be aggregated with deposits established with the acquirer for purposes of federal deposit insurance as well.

The application of FDIC insurance coverage is illustrated by several common factual situations discussed below.

### *Individual Accounts*

Deposits owned by an individual and held in an account in the name of an agent or nominee of such individual (such as the Deposit Accounts at Bank USA or a Program Bank held through UBS) or held by a custodian (for example, under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act) are not treated as owned by the agent, nominee or custodian, but are added to other deposits of that individual held in the same insurable capacity (including funds held in a sole proprietorship) and are insured up to \$250,000 in the aggregate.

### *Joint Accounts*

An individual's interest in deposits held under any form of joint ownership valid under applicable state law may be insured up to \$250,000 in the aggregate, separately and in addition to the \$250,000 allowed on other deposits individually owned by any of the co-owners of such accounts (referred to here as a "Joint Account").

For example, a Joint Account owned by two persons would be eligible for insurance coverage of up to \$500,000 (\$250,000 for each person), subject to aggregation with each owner's interests in other Joint Accounts at the depository institution. Joint Accounts will be insured separately from individually owned accounts only if each of the co-owners is an individual person, has signed a UBS account agreement and has a right of withdrawal on the same basis as the other co-owners.

### *Corporate, Partnership and Unincorporated Association Accounts*

Deposits at any one depository institution owned by corporations (including Subchapter S corporations), partnerships and unincorporated associations, operated for a purpose other than to increase deposit insurance, are added together with other deposits owned by such corporation, partnership and unincorporated association, respectively, and are insured up to \$250,000 in the aggregate.

### *Revocable Trust Accounts*

Deposits at any one depository institution held in a "revocable trust" are generally insured up to \$250,000 per beneficiary if the beneficiary is a natural person, charity or other nonprofit organization. There are two types of revocable trusts recognized by the FDIC: informal and formal. *Informal revocable trusts* include deposits in which the owner shows an intent that, at his or her death, the deposits shall belong to one or more specified beneficiaries. These trusts may be referred to as a "Totten trust" account, "payable upon death" account or a "transfer on death" account. Each beneficiary must be included in UBS's account records. Formal revocable trusts are written trust arrangements in which the owner retains ownership and control of the assets and designation of beneficiaries during his or her lifetime. The trusts may be referred to as "living" or "family" trusts. The identities of the beneficiaries of a formal revocable trust do not need to be included in UBS's account records.

Under FDIC rules, if a revocable trust has five or fewer beneficiaries, FDIC coverage will be up to \$250,000 per beneficiary, multiplied by the number of beneficiaries, regardless of the proportional interests of each beneficiary in the revocable trust. If the trust has six or more beneficiaries, the funds will be insured for the greater of \$1,250,000 or the aggregate amount of all beneficiaries' proportional interest, limited to \$250,000 per beneficiary.

Deposits in all revocable trusts of the same owner—informal and formal—at the same depository institution will be aggregated for insurance purposes. A revocable trust established by two owners where the owners are the sole beneficiaries will be treated as a Joint Account under applicable rules and will be aggregated with other Joint Accounts.

### *Irrevocable Trust Accounts*

Deposits established pursuant to an irrevocable trust agreement created by the same grantor (as determined under applicable state law) will be insured for up to \$250,000 per beneficiary provided that the beneficiary's interest is non-contingent (in other words, capable of determination without evaluation of contingencies).

According to the FDIC, Coverdell Education Savings Accounts should be treated as irrevocable trust accounts for deposit insurance purposes. The deposit insurance of each beneficiary's interest is separate from the coverage provided for other accounts maintained by the beneficiary, the grantor, the trustee or other beneficiaries. A beneficiary's interest in funds held in irrevocable trust accounts created by the same grantor at the same depository institution will be aggregated and insured up to \$250,000.

### *Medical Savings Accounts*

Deposits held in a Medical Savings Account, sometimes referred to as an Archer Medical Savings Account, will be eligible for deposit insurance as either an individual account, a revocable trust account or an employee benefit plan. You may wish to consult with your attorney or the FDIC to determine the available coverage.

### *Individual Retirement Accounts*

Deposits held in an IRA, including traditional, Roth, SEP and SIMPLE IRAs, are insured up to \$250,000 in the aggregate. Deposits held in an IRA will be aggregated with deposits held in some other retirement plans in which the owner of the IRA has an interest.

### *Employee Benefit Plans*

The amount of deposit insurance for which deposits of one bank held through one or more employee benefit plans will be eligible, including whether deposits held by each plan will be considered separately from or aggregated with deposits held by other plans and, in some cases, deposits held at the same bank through an IRA, will vary depending on the type of plan. It is therefore important to understand the type of plan

holding the deposits. The following sections generally discuss the rules that apply to deposits held by employee benefit plans.

### *Pass-Through Deposit Insurance for Employee Benefit Plan Deposits*

Subject to the limitations discussed below, under FDIC regulations a participant's non-contingent interests in the deposits of one bank held by many types of employee benefit plans are eligible for insurance up to \$250,000 on a "pass-through" basis. This means that instead of the deposits of one bank held by an employee benefit plan being eligible for only \$250,000 of insurance in total, each employee benefit plan participant is eligible for insurance of his or her noncontingent interest in the employee benefit plan up to \$250,000, subject to the aggregation of the participant's interests in different plans, as discussed below under "Aggregation of Employee Benefit Plan Deposits."

The pass-through insurance provided to an employee benefit plan participant is separate from the \$250,000 federal deposit insurance limit allowed on deposits held by the individual in different insurable capacities at the same bank (e.g., individual accounts, joint accounts, etc.).

The types of plans for which deposits may receive pass-through treatment are employee benefit plans, as defined in Section 3(3) of ERISA (including Keogh plans, whether or not they are technically "employee benefit plans" under ERISA) and eligible deferred compensation plans described in Section 457 of the Code. For purposes of Section 3(3) of ERISA, employee benefit plans are broadly defined to include most employee benefit plans, including most defined benefit plans and most defined contribution plans.

### *Defined Benefit Plans*

The value of an employee's non-contingent interest in a defined benefit plan will be equal to the present value of the employee's interest in the plan, evaluated in accordance with the calculation ordinarily used under such plan. Deposits of one bank held by a defined benefit plan that are eligible for pass-through treatment are not insured for an amount equal to the number of plan participants multiplied by \$250,000. For example, a plan has \$500,000 on deposit in one bank. The employee benefit plan has two participants, one with a non-contingent interest of \$425,000 and one with a non-contingent interest of \$75,000. In this case, the employee benefit plan's deposits would be insured only up to \$325,000; the plan would be eligible for up to \$250,000 for the participant with the \$425,000 non-contingent interest and up to \$75,000 for the participant with the \$75,000 non-contingent interest. Overfunded amounts, which are any portion of a plan's deposits not attributable to the interests of beneficiaries under the plan, are insured, in the aggregate, up to \$250,000 separately from the insurance provided for any other funds owned by or attributable to the employer or a plan participant.

### *Defined Contribution Plans*

The value of an employee's non-contingent interest in deposits of one bank held through a defined contribution plan will be equal to the amount of funds on deposit attributable to the employee's account with the plan, regardless of whether the funds on deposit resulted from contributions made by the employee, the employer or both.

Portions of deposits at one bank held by an employee benefit plan that are attributable to the contingent interests of employees in the plan are not insured on a pass-through basis. Contingent interests of employees in an employee benefit plan are interests that are not capable of evaluation in accordance with FDIC rules, and are insured up to \$250,000 per plan.

### *Aggregation of Employee Benefit Plan Deposits*

Under FDIC regulations, an individual's interests in plans maintained by the same employer or employee organization (e.g., a union) that are holding deposits at the same bank will be insured for \$250,000 in the aggregate. In addition, under FDIC regulations, an individual's interest in deposits at one bank held by (i) IRAs, (ii) deferred compensation plans for certain employees of state or local governments or tax-exempt organizations (i.e., Section 457 Plans), (iii) self-directed Keogh Plans of owner-employees described in Section 401(d) of the Code, and (iv) participant-directed defined contribution plans, will be insured for up to \$250,000 in the aggregate whether or not maintained by the same employer or employee organization.

#### *Questions about FDIC Deposit Insurance Coverage*

If you have questions about basic FDIC insurance coverage, please contact your Financial Advisor. You may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one insurable capacity. You may also obtain information by contacting the FDIC:

- By mail: Deposit Insurance Outreach, Division of Supervision and Consumer Affairs, 550 17th Street N.W., Washington, D.C. 20429
- By phone: 877-275-3342 or 800-925-4618 (TDD)
- By e-mail: Via the FDIC's Online Customer Assistance Form, available at: [fdic.gov/consumers/questions](https://www.fdic.gov/consumers/questions)
- Online: [fdic.gov/deposit/index.html](https://www.fdic.gov/deposit/index.html)

#### **XIII. Securities Investor Protection Corporation Protection**

UBS is a member of SIPC, which provides protection for your Securities Account(s) with UBS up to \$500,000, including \$250,000 for Free Cash Balances in the unlikely event that UBS fails financially. SIPC asset protection limits apply, in the aggregate, to all Securities Accounts that you hold in a particular legal capacity.

#### **XIV. Alternatives to the Bank Sweep Programs**

If you choose not to participate in one of the Bank Sweep Programs, Free Cash Balances will remain in your Securities Accounts and will not earn interest. To elect to have Free Cash Balances remain in your Securities Account, please contact your Financial Advisor. Whether or not you choose to have Free Cash Balances swept through one of the Bank Sweep Programs, UBS offers a number of investment products that you may wish to consider as alternatives to maintaining cash deposits at Bank USA, AG Stamford Branch or the Program Banks.

An ineligible Securities Account may be eligible for a different sweep option.

Please refer to the section in the Client Relationship Agreement entitled "Our Sweep Options and Your Sweep Election."

Consider your investment objectives, liquidity needs and risk tolerance when you review these alternatives. Some of these alternatives may pay an interest rate or dividend that is higher than the rate you receive on the Deposit Accounts; others may not.

While deposits in the Deposit Accounts at Bank USA and the Program Banks, certificates of deposit and any other available deposit products offered by FDIC-insured depository institutions are covered by FDIC insurance up to applicable limits, other investment alternatives, such as money market funds, are not FDIC-insured, are not guaranteed by a bank and may lose value.

# Chart of Eligibility for UBS Bank Sweep Programs

Program	Program Features	Eligibility by Account Type
UBS Insured Sweep Program	<ul style="list-style-type: none"> <li>Free cash balances automatically deposited into MMDAs at Bank USA up to the Deposit Limit (\$249,000 for single accounts, \$498,000 for joint accounts)</li> <li>Once your funds in the Deposit Account at Bank USA reach the Deposit Limit, UBS, as your agent, will open a Deposit Account for you at the next Program Bank on the Priority List and place your additional funds in that Program Bank.</li> <li>Excess funds deposited at Bank USA without limit.</li> </ul>	<ul style="list-style-type: none"> <li>Individuals</li> <li>Custodial accounts (if none of the beneficiaries is a business entity)</li> <li>Business entities, such as corporations, sole proprietorships, governmental entities, partnerships, limited liability companies, associations and business trusts</li> <li>Nonprofit organizations</li> <li>Estates</li> <li>Revocable and irrevocable trusts owned by US residents (if one or more beneficiaries is a business entity)</li> <li>Trusts owned by non-US residents</li> <li>IRAs, including traditional, Roth, SEP and SIMPLE IRAs*</li> <li>Employee benefit plans qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended, or governmental plans under section 457 of the Code, or under any other employee retirement or welfare plan subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA) (Plans), including individual participant accounts under a defined contribution plan*</li> <li>Retirement accounts owned (or trustee) by a business such as estates, business entities or trusts.</li> </ul>
UBS Deposit Account Sweep Program	<ul style="list-style-type: none"> <li>For all non-Legacy Accounts (defined under eligibility), free cash balances automatically deposited into MMDA at Bank USA without limit</li> <li>For Legacy Accounts, free cash balances automatically deposited into MMDA at Bank USA up to the Deposit Limit (\$249,000 for single accounts, \$498,000 for joint accounts), with excess funds deposited without limit at AG Stamford Branch</li> </ul>	<ul style="list-style-type: none"> <li>Retail accounts that are enrolled in the Deposit Program prior to November 18, 2019 and elected to have free cash balances swept to Bank USA up to a maximum of \$250,000 per account owner, with excess funds deposited without limit at AG Stamford Branch (Legacy Accounts)</li> <li>Retirement advisory accounts, including Individual Retirement Accounts and Qualified Plans in Discretionary Programs, SWP, CAP, Institutional Consulting and Separately Managed Account Programs (ACCESS or MAC) managed by a UBS affiliate</li> <li>Individual participant accounts under a defined contribution plan that are managed on a discretionary basis</li> </ul>
UBS Business Account Sweep Program	<ul style="list-style-type: none"> <li>Free cash balances automatically deposited into MMDAs at Bank USA without limit</li> <li>For accounts opened prior to November 18, 2019, free cash balances automatically deposited into MMDAs at Bank USA up to the Deposit Limit (\$249,000 for single accounts, \$498,000 for joint accounts), with excess funds deposited without limit at AG Stamford Branch</li> </ul>	<ul style="list-style-type: none"> <li>Business accounts that are enrolled in the Business Program prior to November 18, 2019 and elected to have free cash balances swept to Bank USA up to a maximum of \$250,000 per account owner, with excess funds deposited without limit at AG Stamford Branch</li> <li>Individual participant accounts under a defined contribution plan that are managed on a discretionary basis</li> </ul>

\* Note: If accounts/plans are in Discretionary Programs, SWP, CAP, Institutional Consulting or Separately Managed Account Programs (ACCESS or MAC) managed by a UBS affiliate, then they are not eligible for UBS-ISP and will remain in either the UBS Deposit Program or the UBS Business Program.

# Bank Priority Lists

## Effective December 1, 2023<sup>1</sup>

The Bank Priority Lists for the UBS Insured Sweep Program are below for your reference.

The UBS Bank Sweep Programs Disclosure Statement provides complete details and is available at [ubs.com/sweepyields](https://ubs.com/sweepyields) or from your Financial Advisor. Please review this information carefully and retain for your records.

Your Bank Priority List is determined by the address of record on your account. For all states except California, simply identify the Bank Priority List for your state. For California, you will need to refer to the zip code of the address of record on your account to identify your Bank Priority List.

### Questions

Please contact your Financial Advisor with any questions.

### Retail Accounts<sup>1</sup>

<b>CT, NY</b>	<b>DC, DE, MA, MD, ME, NH, NJ, RI, VA, VT</b>	<b>FL, GA</b>	<b>AL, LA, MS, NC, SC, TX, WV</b>
UBS Bank USA	UBS Bank USA	UBS Bank USA	UBS Bank USA
Goldman Sachs Bank USA	Goldman Sachs Bank USA	Goldman Sachs Bank USA	Goldman Sachs Bank USA
American Express National Bank	Truist Bank	American Express National Bank	American Express National Bank
Citibank, NA	Citibank, NA	Banc of California	The Huntington National Bank
Truist Bank	Barclays Bank Delaware	Barclays Bank Delaware	Citibank, NA
Barclays Bank Delaware	Banc of California	Citibank, NA	Barclays Bank Delaware
Banc of California	CIBC Bank USA	The Huntington National Bank	Truist Bank
The Huntington National Bank	The Huntington National Bank	Associated Bank, NA	Banc of California
HSBC Bank USA, NA	American Express National Bank	CIBC Bank USA	HSBC Bank USA, NA
Associated Bank, NA	Associated Bank, NA	Truist Bank	Associated Bank, NA
Synovus Bank	HSBC Bank USA, NA	HSBC Bank USA, NA	CIBC Bank USA
CIBC Bank USA	EagleBank	EagleBank	EagleBank
EagleBank	Synovus Bank	Synovus Bank	Synovus Bank
Valley National Bank	Valley National Bank	Valley National Bank	Valley National Bank
Forbright Bank	Forbright Bank	Forbright Bank	Forbright Bank

<b>AR, IA, IL, IN, KS, KY, MI, MN, MO, NE, OH, PA, TN, WI</b>	<b>AZ, CO, ID, ND, MT, NM, NV, OK, OR, SD, UT, WA, WY</b>	<b>CA</b>	<b>AK, HI, PR, VI, Other</b>
UBS Bank USA	UBS Bank USA	UBS Bank USA	UBS Bank USA
Citibank, NA	Citibank, NA	Truist Bank	Citibank, NA
American Express National Bank	Goldman Sachs Bank USA	Citibank, NA	Goldman Sachs Bank USA
The Huntington National Bank	Banc of California	Banc of California	Banc of California
Truist Bank	Truist Bank	Goldman Sachs Bank USA	Barclays Bank Delaware
Goldman Sachs Bank USA	Barclays Bank Delaware	Barclays Bank Delaware	HSBC Bank USA, NA
CIBC Bank USA	CIBC Bank USA	American Express National Bank	Truist Bank
Banc of California	American Express National Bank	The Huntington National Bank	CIBC Bank USA
Barclays Bank Delaware	HSBC Bank USA, NA	Associated Bank, NA	American Express National Bank
Associated Bank, NA	Associated Bank, NA	HSBC Bank USA, NA	Associated Bank, NA
HSBC Bank USA, NA	The Huntington National Bank	CIBC Bank USA	The Huntington National Bank
EagleBank	EagleBank	Synovus Bank	EagleBank
Synovus Bank	Synovus Bank	EagleBank	Synovus Bank
Valley National Bank	Valley National Bank	Valley National Bank	Valley National Bank
Forbright Bank	Forbright Bank	Forbright Bank	Forbright Bank

<sup>1</sup> As a result of a merger between Pacific Western Bank and Banc of California effective December 1, 2023, Banc of California replaced Pacific Western Bank as a Program Bank in the UBS-ISP.



## Business Accounts

<b>CT, NY</b>	<b>DC, DE, MA, MD, ME, NH, NJ, RI, VA, VT</b>	<b>FL, GA</b>	<b>AL, LA, MS, NC, SC, TX, WV</b>
UBS Bank USA	UBS Bank USA	UBS Bank USA	UBS Bank USA
Truist Bank	Truist Bank	Banc of California	Truist Bank
Synovus Bank	Citibank, NA	Truist Bank	Banc of California
HSBC Bank USA, NA	EagleBank	Synovus Bank	Citibank, NA
Banc of California	Synovus Bank	HSBC Bank USA, NA	Synovus Bank
Eagle Bank	Banc of California	The Huntington National Bank	HSBC Bank USA, NA
The Huntington National Bank	HSBC Bank USA, NA	CIBC Bank USA	Barclays Bank Delaware
Citibank, NA	Barclays Bank Delaware	Citibank, NA	The Huntington National Bank
CIBC Bank USA	The Huntington National Bank	EagleBank	EagleBank
Barclays Bank Delaware	CIBC Bank USA	Barclays Bank Delaware	CIBC Bank USA
Associated Bank, NA	Associated Bank, NA	Associated Bank, NA	Associated Bank, NA
Valley National Bank	Valley National Bank	Valley National Bank	Valley National Bank
Forbright Bank	Forbright Bank	Forbright Bank	Forbright Bank
<b>AR, IA, IL, IN, KS, KY, MI, MN, MO, NE, OH, PA, TN, WI</b>	<b>AZ, CO, ID, ND, MT, NM, NV, OK, OR, SD, UT, WA, WY</b>	<b>CA</b>	<b>AK, HI, PR, VI, Other</b>
UBS Bank USA	UBS Bank USA	UBS Bank USA	UBS Bank USA
Truist Bank	Truist Bank	Truist Bank	Truist Bank
Citibank, NA	Synovus Bank	Synovus Bank	HSBC Bank USA, NA
Banc of California	Citibank, NA	EagleBank	Barclays Bank Delaware
Synovus Bank	Banc of California	Citibank, NA	Citibank, NA
The Huntington National Bank	Barclays Bank Delaware	Banc of California	Synovus Bank
CIBC Bank USA	EagleBank	Barclays Bank Delaware	EagleBank
Barclays Bank Delaware	CIBC Bank USA	The Huntington National Bank	CIBC Bank USA
EagleBank	Associated Bank, NA	HSBC Bank USA, NA	Banc of California
Associated Bank, NA	HSBC Bank USA, NA	Associated Bank, NA	The Huntington National Bank
HSBC Bank USA, NA	The Huntington National Bank	CIBC Bank USA	Associated Bank, NA
Valley National Bank	Valley National Bank	Valley National Bank	Valley National Bank
Forbright Bank	Forbright Bank	Forbright Bank	Forbright Bank

## Retirement Accounts

<b>CT, NY</b>	<b>DC, DE, MA, MD, ME, NH, NJ, RI, VA, VT</b>	<b>FL, GA</b>	<b>AL, LA, MS, NC, SC, TX, WV</b>
UBS Bank USA	UBS Bank USA	UBS Bank USA	UBS Bank USA
The Huntington National Bank	Goldman Sachs Bank USA	Barclays Bank Delaware	Goldman Sachs Bank USA
Goldman Sachs Bank USA	Truist Bank	Citibank, NA	Truist Bank
Truist Bank	Citibank, NA	Banc of California	Forbright Bank
American Express National Bank	Banc of California	Truist Bank	Citibank, NA
Citibank, NA	Forbright Bank	Goldman Sachs Bank USA	Banc of California
Banc of California	Associated Bank, NA	HSBC Bank USA, NA	Associated Bank, NA
Associated Bank, NA	Barclays Bank Delaware	CIBC Bank USA	Barclays Bank Delaware
Barclays Bank Delaware	Synovus Bank	American Express National Bank	Synovus Bank
Synovus Bank	HSBC Bank USA, NA	Associated Bank, NA	HSBC Bank USA, NA
HSBC Bank USA, NA	EagleBank	Synovus Bank	CIBC Bank USA
Forbright Bank	American Express National Bank	Forbright Bank	American Express National Bank
EagleBank	CIBC Bank USA	EagleBank	EagleBank
CIBC Bank USA	Valley National Bank	Valley National Bank	Valley National Bank
Valley National Bank	The Huntington National Bank	The Huntington National Bank	The Huntington National Bank

<b>AR, IA, IL, IN, KS, KY, MI, MN, MO, NE, OH, PA, TN, WI</b>	<b>AZ, CO, ID, ND, MT, NM, NV, OK, OR, SD, UT, WA, WY</b>	<b>CA</b>	<b>AK, HI, PR, VI, Other</b>
UBS Bank USA	UBS Bank USA	UBS Bank USA	UBS Bank USA
American Express National Bank	Goldman Sachs Bank USA	Goldman Sachs Bank USA	Goldman Sachs Bank USA
Goldman Sachs Bank USA	Forbright Bank	Forbright Bank	Forbright Bank
Citibank, NA	Truist Bank	Truist Bank	Truist Bank
Truist Bank	Citibank, NA	Citibank, NA	Citibank, NA
Forbright Bank	Banc of California	Banc of California	Banc of California
Banc of California	Associated Bank, NA	Associated Bank, NA	Associated Bank, NA
Associated Bank, NA	Barclays Bank Delaware	Barclays Bank Delaware	Barclays Bank Delaware
Barclays Bank Delaware	Synovus Bank	Synovus Bank	Synovus Bank
Synovus Bank	HSBC Bank USA, NA	HSBC Bank USA, NA	HSBC Bank USA, NA
HSBC Bank USA, NA	EagleBank	EagleBank	EagleBank
EagleBank	American Express National Bank	American Express National Bank	American Express National Bank
CIBC Bank USA	CIBC Bank USA	CIBC Bank USA	CIBC Bank USA
Valley National Bank	Valley National Bank	Valley National Bank	Valley National Bank
The Huntington National Bank	The Huntington National Bank	The Huntington National Bank	The Huntington National Bank