



Working with the UBS Wealth Advice Center

The UBS Wealth Advice Center is a branch of UBS Financial Services Inc. that provides personalized wealth management advice, and financial products and services to UBS clients who, in most cases, hold less than \$250k of investable assets at UBS. This disclosure is intended to provide you with information about how we work with you, the products and services we offer, and compensation provided to our Financial Advisors.

How we work with you

- As a UBS Wealth Advice Center client, you work with a centralized team of Financial Advisors and Client Service Associates who are accessible by phone and e-mail. All of our Financial Advisors hold the Financial Industry Regulatory Authority (FINRA) Series 7 and 66 licenses, which allow them to provide you with investment advice and discuss the investment solutions we offer.
- As opposed to working with one Financial Advisor exclusively, you communicate with any number of the Financial Advisors on our team. To help ensure that you have a well-coordinated experience, notes about your account and conversations with us are available to all members of our team.
- Because our conversations with you are conducted via telephone, we use robust and multi-factor authentication methods to verify your identity before we provide personal information and/or perform actions relating to your account(s).

Our investment solutions

- Not all of the brokerage and investment advisory products and services offered by UBS are available to you as a UBS Wealth Advice Center client, and the advice provided by our team of Financial Advisors is limited to advice about products and services that are specifically included in the UBS Wealth Advice Center offering. Products we do not offer include, but are not limited to, commodities, foreign currencies, managed futures, certain options strategies, penny stocks, precious metals, private investments and most alternative investments.
- Additionally, only a limited number of UBS investment advisory programs are available through the UBS Wealth Advice Center. Recommendations for new investment advisory enrollments are made only to the Managed Portfolio Program. However, clients already enrolled in PACE Multi or PACE Select are permitted to enroll additional accounts in those programs. For details regarding the referenced Investment Advisory Programs, including fees, client suitability and program features, see the Firm's Wrap Fee ADV Disclosure Brochure at ubs.com/formadv.
- If accounts are enrolled in any other UBS investment advisory program when they are transferred to the UBS Wealth Advice Center, we will end your participation in that program and the account will be converted to, and designated as, a brokerage account.

The information in this brochure is current as of November 2017. UBS reserves the right to change its programs, fees and compensation practices at any time. For the most recent information visit ubs.com/accountdisclosures.

This communication is issued by UBS Financial Services Inc. ("UBS"). UBS and its affiliates do not provide legal or tax advice. Clients should consult with their legal and tax advisors regarding their personal circumstances.

Products and services in this communication may not be available for residents of certain jurisdictions. Not all products and services available at UBS are available through the UBS Wealth Advice Center. Regular portfolio reviews are available upon request.

As a firm providing wealth management services to clients, UBS Financial Services Inc. offers both investment advisory services and brokerage services. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that clients understand the ways in which we conduct business and that they carefully read the agreements and disclosures that we provide to them about the products or services we offer. For more information visit our website at ubs.com/workingwithus.

Investment recommendations in Wealth Advice Center accounts

- Recommendations are based on individual client circumstances and can leverage various sources of UBS's intellectual capital.
- Financial Advisor recommendations in brokerage accounts will typically be to pooled investment vehicles (e.g., mutual funds, exchange traded funds) in order to seek diversification with minimal investments. Individual stocks are not typically recommended by our Financial Advisors.

Account fees and commissions

Visit ubs.com/guidetofees for more information on our account fees, commissions, and investment advisory fees.

Compensation to Financial Advisors in the UBS Wealth Advice Center

UBS Wealth Advice Center Financial Advisors receive an annual fixed salary, are eligible to receive an annual discretionary incentive compensation award and have the ability to earn quarterly incentive awards. This UBS Wealth Advice Center incentive compensation plan is operated in UBS's sole and absolute discretion and may be amended or discontinued at any time.

- **Annual Discretionary Incentive Compensation Award:** Eligibility and potential payout for the annual discretionary compensation award is calculated by taking into account a Financial Advisor's performance under the UBS Wealth Advice Center compensation plan and UBS's overall performance.

- **Quarterly Incentive Award:** UBS Wealth Advice Center Financial Advisors who meet specific criteria are eligible to earn quarterly incentive awards. Potential payout for qualifying Financial Advisors is determined in part by using a formulaic evaluation of multiple criteria, which includes production credits.

Production credits for brokerage accounts vary by product type and are based on the purchase of a limited set of specified products, including mutual funds, fixed income and exchange traded funds. (Note: For fixed income, credits are also applied for the sale of positions.) For investment advisory accounts, production credits are determined by using a formulaic calculation that includes transactions within an account, the funding of new accounts and/or assets transferred into UBS.

Financial Advisors in the Wealth Advice Center receive more production credits for investment advisory accounts than for other products or transactions (other than with respect to retirement accounts as described below). This creates a conflict of interest and an incentive for Financial Advisors to recommend advisory accounts over other products, services and transactions.

Production for ERISA and IRA accounts: As of July 1, 2017, the production credits Financial Advisors accumulate on retirement accounts (both brokerage retirement accounts and investment advisory retirement accounts) held at UBS will be awarded equally across all product types.

All Financial Advisors in the Wealth Advice Center will be given the same percentage of credit for all transactions (as listed above) in retirement accounts regardless of product type.

The compensation Financial Advisors receive in connection with these accounts may be higher or lower than Financial Advisors may otherwise be eligible to earn under our standard compensation calculations for taxable accounts. Additionally, while a Financial Advisor's compensation will be consistent across all products affected in retirement accounts as of July 1 2017, Financial Advisors will be paid differently in retirement accounts versus taxable accounts, which could impact Financial Advisor recommendations. For retirement accounts (brokerage and advisory), the amount of production credits earned by a Financial Advisor will increase as the number of transactions increases.

This change applies to all Financial Advisors in the UBS Wealth Advice Center who meet specific criteria and are eligible for the quarterly incentive program, but excludes retirement accounts held away from UBS

Questions

If you have any questions about the content of this document, please contact us at 877-827-7870.

Unless otherwise noted: "UBS" refers to UBS Financial Services Inc. "You," "your" and "yours" refer to you as client(s) of the UBS Wealth Advice Center. "We," "us," "our" and "ours" refer to the UBS Wealth Advice Center.

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