At UBS, we believe transparency about our services and fees is central to our relationship with you. Understanding our services and fees allows you to make informed decisions about how you work with us.

UBS Financial Services Inc. is registered with the US Securities and Exchange Commission (SEC) both as a broker-dealer offering brokerage services, and as an investment adviser offering investment advisory services. UBS Financial Services Incorporated of Puerto Rico is a broker-dealer registered with the SEC.

It is important to understand how brokerage and investment advisory services and fees differ. In addition to this document, there are a number of free, simple tools and educational materials you can use at www.investor.gov/CRS to:

- Research different firms and financial professionals
- Learn more about broker-dealers, investment advisers and investing

What investment services and advice can you provide me?

We offer both brokerage and investment advisory services.

About our brokerage services

As a broker-dealer, our services include buying and selling securities at your direction. We also provide investment recommendations, education, research, financial tools and financial planning services for no additional fee.

We offer a wide range of investments, including:

- Stocks
- Bonds
- Mutual funds
- Variable annuities
- Exchange traded funds (ETFs)
- Options
- Certificates of deposit (CDs)
- Structured notes
- Alternative investments
- Insurance products

We also offer cash sweep services, securities-based credit lines and margin lending.

We act in our capacity as a broker-dealer when we recommend that you open a brokerage account, make investment recommendations for your brokerage account, recommend that you roll over or transfer assets from a retirement or other account to a brokerage account or provide financial planning services without charging a fee. In a brokerage account, you make the ultimate decisions regarding your investments.

Unless we state otherwise in writing, we do not monitor your brokerage account for you. You make the ultimate decisions regarding your investments. You can also ask us to review your brokerage account and provide you with recommendations at any time.

Brokerage accounts have no minimums, except that accounts that fall below certain amounts will pay additional annual fees. Learn more about our brokerage products and services at www.ubs.com/relationshipwithubs.

About our advisory services

As an investment adviser, our services include advising you on buying and selling investments, investment strategies and choosing investment managers. We offer both “non-discretionary” and “discretionary” advisory services.

Each advisory program offers a menu of services and investments such as stocks, bonds, mutual funds and ETFs.

**Non-discretionary advisory services**

You receive investment recommendations, account monitoring and reviews but you make the ultimate decisions about your investments.

**Discretionary advisory services**

You receive investment recommendations, account monitoring and reviews, and we or a separate investment manager buy, sell and make other investment decisions on your behalf without asking you in advance.

The type and extent of discretion will vary, depending on the advisory program you select and includes:

- Buying and selling investments
- Selecting an investment manager
- Establishing an asset allocation
We act in our capacity as an investment adviser when we recommend that you open an advisory account, provide investment advice in your advisory account, recommend that you roll over or transfer assets from a retirement or other account to an advisory account, or provide financial planning services for a fee.

We will monitor your advisory accounts as appropriate and provide you with an annual review and performance report. You may request these reviews and reports more frequently. You can learn more about how we monitor your wrap fee program advisory accounts at www.ubs.com/formadv. (Form ADV is required to be submitted to the SEC and updated annually by registered investment advisers.)

To open an advisory account, you must meet certain investment minimums. Current account minimums and descriptions for each wrap fee program are described in Item 4 of the Wrap Fee Programs Form ADV Disclosure Brochure at www.ubs.com/formadv. Information about our advisory programs is also summarized at www.ubs.com/relationshipwithubs.

To learn more about our advisory programs, please see the investment advisory brochures at www.ubs.com/disclosuredocuments.

What fees will I pay?
The fees you pay depend on whether you choose brokerage services, advisory services or both.

Brokerage services fees and costs
The primary fees and costs are “transaction-based fees,” meaning they are charged each time you buy or sell an investment. Depending on the investment you select, these fees can include:

• Up-front commissions (which our Financial Advisors are permitted to discount)
• Additional fees include:
  - Annual account maintenance fees
  - Administrative fees such as processing and handling fees for trades, wire fees, transfer fees and bank charges
  - Fees for margin and securities-backed lending
  - Other amounts that are included in the expense ratios of certain investments such as mutual funds, ETFs, variable annuities and alternative investments
  - In certain circumstances, “surrender charges” if you sell an investment before a specified period

Principal trades: When we buy securities from you or sell securities to you from our (or our affiliate’s) inventory, known as “principal trading,” we typically earn compensation by marking up the price of the securities we sell you or by marking down the price of the securities we buy from you.

For additional information, please see www.ubs.com/relationshipwithubs.

Because we are compensated for transactions, there is an incentive to encourage you to trade more frequently and in greater amounts, and to trade with us as principal because we receive more revenue when you do so.

These fees are described in the “Fees and Charges” and the “Statement of Credit Practices” sections of Agreements and Disclosures, which can be found at www.ubs.com/disclosuredocuments.

Advisory services fees and costs
The primary fees and costs are generally “wrap” program fees. These fees are “asset-based,” meaning that the fee is calculated as a percentage of the assets in your advisory account (including uninvested cash held through a sweep program).

The more assets you invest in your account, the more you will pay in fees, and there is therefore an incentive to encourage you to increase your advisory account assets.

The wrap program fee you pay is for our investment advice, most trading costs, and custody and performance reporting, but does not include the investment management fee for a separate investment manager, which is additional. We will disclose these fees to you when you enroll. Not all separate investment managers charge an additional fee to clients.

If a separate investment manager uses a broker-dealer other than us to execute a trade (commonly referred to as a “step-out” trade), you will incur additional trading costs. If you custody assets or trade investments at a financial institution other than us, you will pay any additional fees that institution charges.

The wrap program fee is negotiable and is charged each quarter in advance. Learn more about our wrap program fee schedule and billing practices in your advisory agreement and our Wrap Fee Programs Form ADV Disclosure Brochure (Item 4 and Item 5.C) available at www.ubs.com/formadv.

About our UBS Wealth Advice Center
The UBS Wealth Advice Center offers both brokerage and advisory services on a limited platform. Learn more about the Wealth Advice Center at www.ubs.com/wacdisclosure.

Additional Information
For additional information, please see www.ubs.com/relationshipwithubs and the Form ADV at www.ubs.com/formadv.

Ask your Financial Advisor
- Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?
Advisory accounts are not charged annual account maintenance fees.

Additional fees include:
- Amounts that are included in the expense ratios of certain investments such as mutual funds, ETFs and alternative investments
- Wire fees, transfer fees and bank charges
- Fees for margin and securities-backed lending

These fees are explained in the applicable prospectuses and offering documents for particular investments.

Advisory financial planning services are subject to a fixed fee for developing and delivering a financial plan. We also offer consulting services that have minimum account requirements and are not typically used by individual wealth management clients. These consulting services are provided only by a select group of Financial Advisors having the title of “Institutional Consultant.” Fees for planning and consulting services are set forth in your agreement with us for these services.

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<tr>
<th>Service or source of revenue</th>
<th>Compensation</th>
<th>Incentive</th>
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<tr>
<td>Proprietary investments and services</td>
<td>We earn higher fees, compensation and other benefits when you choose an investment that we (or one of our affiliates) advise, manage or sponsor, such as a mutual fund, alternative investment or structured note, or when you select us or an affiliate as the investment manager.</td>
<td>There is an incentive to recommend or to invest your assets in investments and services that we advise, manage or sponsor over products from a third party.</td>
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<tr>
<td>Third-party payments</td>
<td>We receive payments from third-party product sponsors and managers (or their affiliates) when we recommend or sell certain products. These include sales charges, selling concessions and other indirect ways of compensating UBS.</td>
<td>There is an incentive to recommend or to invest your assets in products of third parties that pay us over products of third parties that do not pay us, or pay us less.</td>
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<tr>
<td>Revenue sharing</td>
<td>We receive a share of revenue that managers and sponsors, including our affiliates, earn when you invest in their investment products (primarily mutual funds, variable annuities and NextShares).</td>
<td>There is an incentive to recommend (or to invest your assets in) products of sponsors and managers that share their revenue with us over other products of sponsors or managers that do not share their revenue, or who share less.</td>
</tr>
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</table>
Service or source of revenue | Compensation | Incentive
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**Principal trading** | As principal, we buy securities from you or sell securities to you from our (or our affiliate’s) inventory. We typically earn compensation by marking up the price of the securities we sell you or by marking down the price of the securities we buy from you. | There is an incentive to trade with you on a principal basis and to recommend securities from our inventory.

**Sweep program for uninvested cash balances using an affiliated bank** | Uninvested cash in our sweep program is used to generate revenue for us and our affiliates. These cash balances earn a lower rate of return on that cash than might otherwise be obtained. We also charge the advisory fee on your uninvested cash balances in advisory accounts. | There is an incentive to maintain a program where uninvested cash is swept to our affiliate and to keep uninvested cash balances in advisory accounts.

We address our conflicts of interest by maintaining policies and procedures requiring that Financial Advisors act in your best interest, maintaining reasonable supervisory processes and disclosing these conflicts so that you can make fully informed decisions.

For additional information, please see Your Relationship with UBS at [www.ubs.com/relationshipwithubs](http://www.ubs.com/relationshipwithubs) and the Form ADV at [www.ubs.com/formadv](http://www.ubs.com/formadv).

**How do your financial professionals make money?**

Most of our Financial Advisors receive a percentage of the revenue that they generate from our services, which includes transaction-based fees, investment advisory fees, trails and referral fees. The percentage increases as the level of revenue a Financial Advisor generates for UBS increases (known as production).

Financial Advisors are also eligible to receive financial and recognition awards based on their:

- Production
- Length of service with UBS
- New business they generate

Financial Advisors that move between financial institutions generally receive a significant amount of additional compensation as an incentive to move. At UBS, this additional compensation is based on a combination of the amount of the Financial Advisor’s annual revenue at the prior firm and the level of assets or accounts that transfer to UBS. Financial Advisors in the Wealth Advice Center are paid on a salary-plus-bonus structure. For additional information, see [www.ubs.com/wacdisclosure](http://www.ubs.com/wacdisclosure).

We and our Financial Advisors also receive non-cash compensation from certain product sponsors that can include occasional gifts, meals, tickets and/or other entertainment, sponsorship of educational or training events, including educational events Financial Advisors arrange for clients and prospective clients.

**Do you or your financial professionals have legal or disciplinary history?**

**Yes.** Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple tool to research us and our financial professionals.

For additional information about our services, see [www.ubs.com/relationshipwithubs](http://www.ubs.com/relationshipwithubs).

Have more questions? If you would like a copy of this disclosure, please call (888) 526-7454. If you have any questions or need additional information about our services, please speak with your UBS Financial Advisor.

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**Ask your Financial Advisor**

**How might your conflicts of interest affect me, and how will you address them?**

Financial Advisors can help you understand:

- Who is my primary contact person?
- Is he or she a representative of an investment adviser or a broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?