

# Relationship summary for individual UBS Wealth Management clients<sup>1</sup>

## How we work with you

**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.

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 [investor.gov/CRS](https://investor.gov/CRS) to:

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

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## 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 and products, including:

- |                                |                                 |
|--------------------------------|---------------------------------|
| • Stocks                       | • Options                       |
| • Bonds                        | • Certificates of Deposit (CDs) |
| • Mutual funds                 | • Structured notes              |
| • Annuities                    | • Alternative investments       |
| • Exchange Traded Funds (ETFs) | • Insurance products            |

We also offer cash sweep services, margin lending and other lending and banking services provided by our affiliate, UBS Bank USA (e.g., securities-based credit lines, credit cards, mortgage loans and Core Savings accounts).

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 in *Your Relationship with UBS*, which includes a section outlining limitations to our services titled "Important limitations," and can be found at [ubs.com/relationshipwithubs](https://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

We or a separate investment manager buy and sell investments 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 can include establishing an asset allocation and the selection of a separate investment manager. You also receive account monitoring and periodic reviews.

<sup>1</sup> "Individual Wealth Management Client" is a natural person, or the legal representative of a natural person, who receives a recommendation from UBS and uses it primarily for personal, family or household purposes.

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 in Item 4 of the Wrap Fee Form ADV Brochure at [ubs.com/formadv](https://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 Form ADV Brochure at [ubs.com/formadv](https://ubs.com/formadv). Information about our advisory programs is also summarized in the "Advisory programs and financial planning services" section of *Your Relationship with UBS* at [ubs.com/relationshipwithubs](https://ubs.com/relationshipwithubs).

To learn more about our advisory programs, including requirements and limitations, please see the Investment advisory brochures at [ubs.com/advisorydisclosures](https://ubs.com/advisorydisclosures).

## 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
  - 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

Because we are compensated for transactions, there is an incentive to encourage you to trade more frequently and in greater amounts. We also have an incentive to trade with you as principal and recommend securities from our inventory, because we earn compensation by marking up the price of the securities we sell to you or by paying you less for the securities we buy from you.

This compensation is described in the "Fees and Charges" and the "Statement of Credit Practices" sections of our Agreements and Disclosures, which can be found under the Account agreements and disclosures tab at [ubs.com/disclosuredocuments](https://ubs.com/disclosuredocuments). Additional

## About our UBS Wealth Advice Center

The UBS Wealth Advice Center offers both brokerage and advisory services on a limited platform. These limitations are described in detail at [ubs.com/wacdisclosure](https://ubs.com/wacdisclosure).

### Additional information

For additional information, please see our additional Regulation Best Interest disclosures in *Your Relationship with UBS* at [ubs.com/relationshipwithubs](https://ubs.com/relationshipwithubs) and the Form ADV at [ubs.com/formadv](https://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?

fees and costs are described in Part two of *Your Relationship with UBS* at [ubs.com/relationshipwithubs](https://ubs.com/relationshipwithubs).

### 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 Form ADV Brochure (Item 4 and Item 5.C) available at [ubs.com/formadv](https://ubs.com/formadv).

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

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

### Why is it important to understand fees and costs?

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.**

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



#### Ask your Financial Advisor

Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

### What are your legal obligations when providing recommendations to me as my broker-dealer or when acting as my investment advisor?

**When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours.**

### How else does your firm make money and what conflicts of interest do you have?

At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts, because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means:

Service or source of revenue	Compensation	Incentive
Proprietary investments and services	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.	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.
Third-party and affiliate payments	We receive payments from third-party product sponsors and managers (or their affiliates) and from our affiliates when we recommend or sell certain products. These include sales charges, selling concessions and other indirect ways of compensating UBS.	There is an incentive to recommend or to invest your assets in products of third parties and/or our affiliates that pay us over products that do not pay us, or pay us less.
Revenue sharing	We receive a share of revenue that managers and sponsors, including our affiliates, earn when you invest in their investment products (primarily mutual funds and variable annuities).	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.

Service or source of revenue	Compensation	Incentive
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 to 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 the "Conflicts disclosure" section of *Your Relationship with UBS* at [ubs.com/relationshipwithubs](https://ubs.com/relationshipwithubs) and the Form ADV at [ubs.com/formadv](https://ubs.com/formadv).



**Ask your Financial Advisor**

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

**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

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 [ubs.com/wacdisclosure](https://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 [investor.gov/CRS](https://investor.gov/CRS) for a free and simple tool to research us and our financial professionals.

**For additional information about our services,** see [ubs.com/relationshipwithubs](https://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.



**Ask your Financial Advisor**

As a financial professional, do you have any disciplinary history? For what type of conduct?



**Your local office Branch Manager 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?