



Approved Distribution: US
UBS Financial Services Inc.

UBS GWM CIO Global Investment Management – UBS Wealth Way Solutions

For educational and marketing purposes

Long-term care costs and solutions

Planning for the “what if?”

14 May 2026

Ainsley Carbone, CFP®

Retirement Strategist

Justin Waring, APMA®, CFP®

Head UBS Wealth Way Strategy & Solutions

**This educational report has been prepared by UBS Financial Services, Inc.
Please see important information and disclosures at the end of the document.**

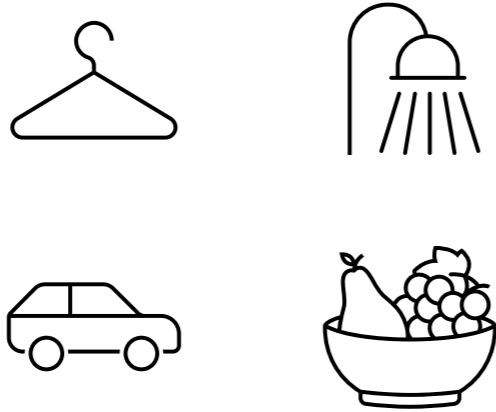
The authors of this marketing document transitioned from CIO Research to Global Investment Management on 1 July 2025. This document constitutes sales and education content, not a research report, and it is not developed or held to the standards applicable to independent research. This document may include references to previous Research publications by the authors.



What is long-term care (LTC)?

This is less about medical care and more about personal care

LTC = help with everyday activities



Care can be provided at:

- Home (home health aides)
- Assisted living facilities
- Nursing home facilities



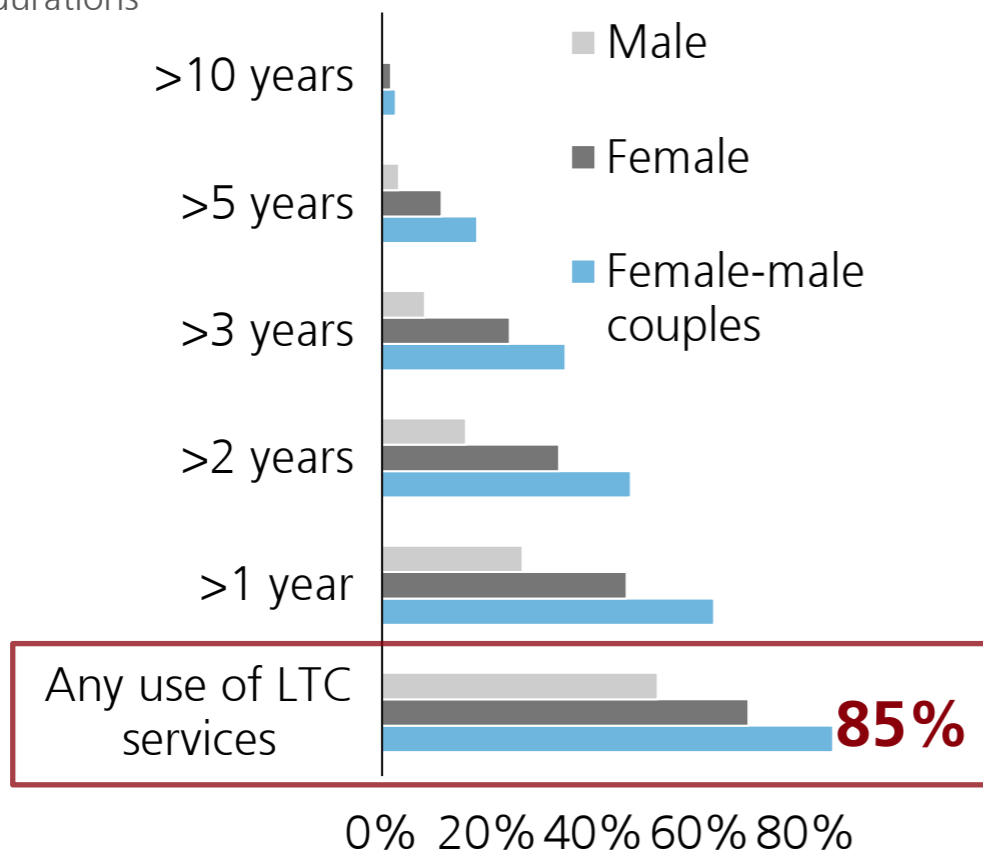
Consider this...

What part of your independence would matter most to preserve?

This is a high probability risk, not a remote risk

85% couples may need *some level* of care

Probability of using any type of long-term care for various durations



Source: UBS, Crook & Sutedja. Strategies are subject to individual client goals, objectives and suitability.

Outcomes vary widely:

- The key question isn't *if* — it's *how much* and *when*
- The uncertainty is what impacts a financial plan



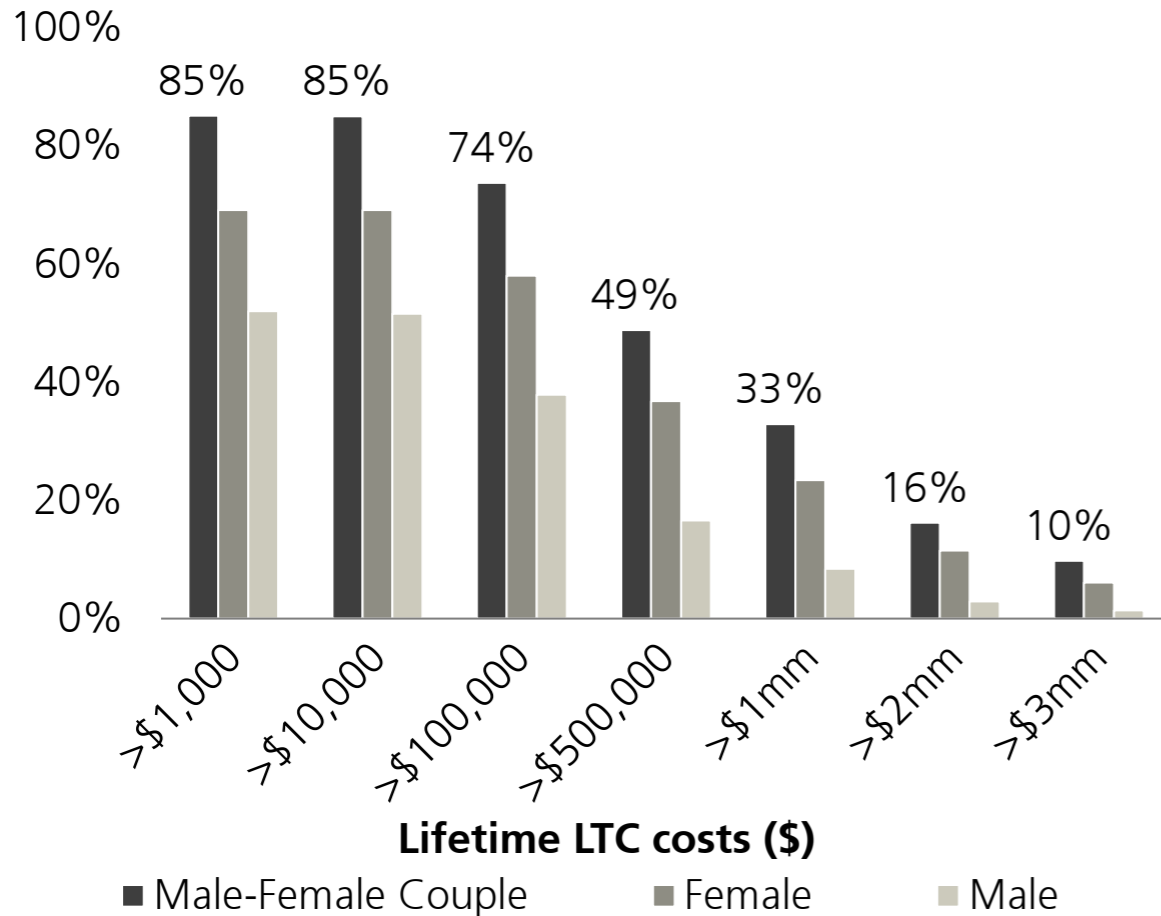
Consider this...

Does this feel like a low probability risk to you?

The cost range is wide and unpredictable

How much will long-term care cost?

Estimated probability that long-term care (LTC) spending will exceed a specified amount, in %



Source: UBS, Genworth/CareScout Cost of Care Survey 2024.



Costs vary widely based on:

- Duration of care
- Health
- Location



Consider this...

Would your preferences differ if outcomes were on the higher end of the cost range?

LTC costs may change the success of your financial plan

Failure risk is highest where flexibility is lowest

Financial plan failure rates including potential long-term care expenses, based on initial portfolio value

Initial portfolio value	Female-male households
\$1mm	38%
\$2mm	27%
\$3mm	22%
\$4mm	19%
\$5mm	17%
\$6mm	15%
\$7mm	15%
\$8mm	14%
\$9mm	14%
\$10mm	14%

It's about when costs occur—not just how much

- Costs often arise during later retirement years
- Withdrawals may need to increase unexpectedly
- This can impact longevity of assets, legacy goals, and spending sustainability



Consider this...

How would your plan need to adjust if expenses increased unexpectedly later in life?

There can be two very different **experiences for the family**

Without a plan:

- Family members often step in unexpectedly
- Decisions are made under pressure
- Care choices may be limited

Planning
changes the
experience,
not just the
outcome

With a plan:

- Clear direction
- Coordinated decisions
- Greater flexibility and control

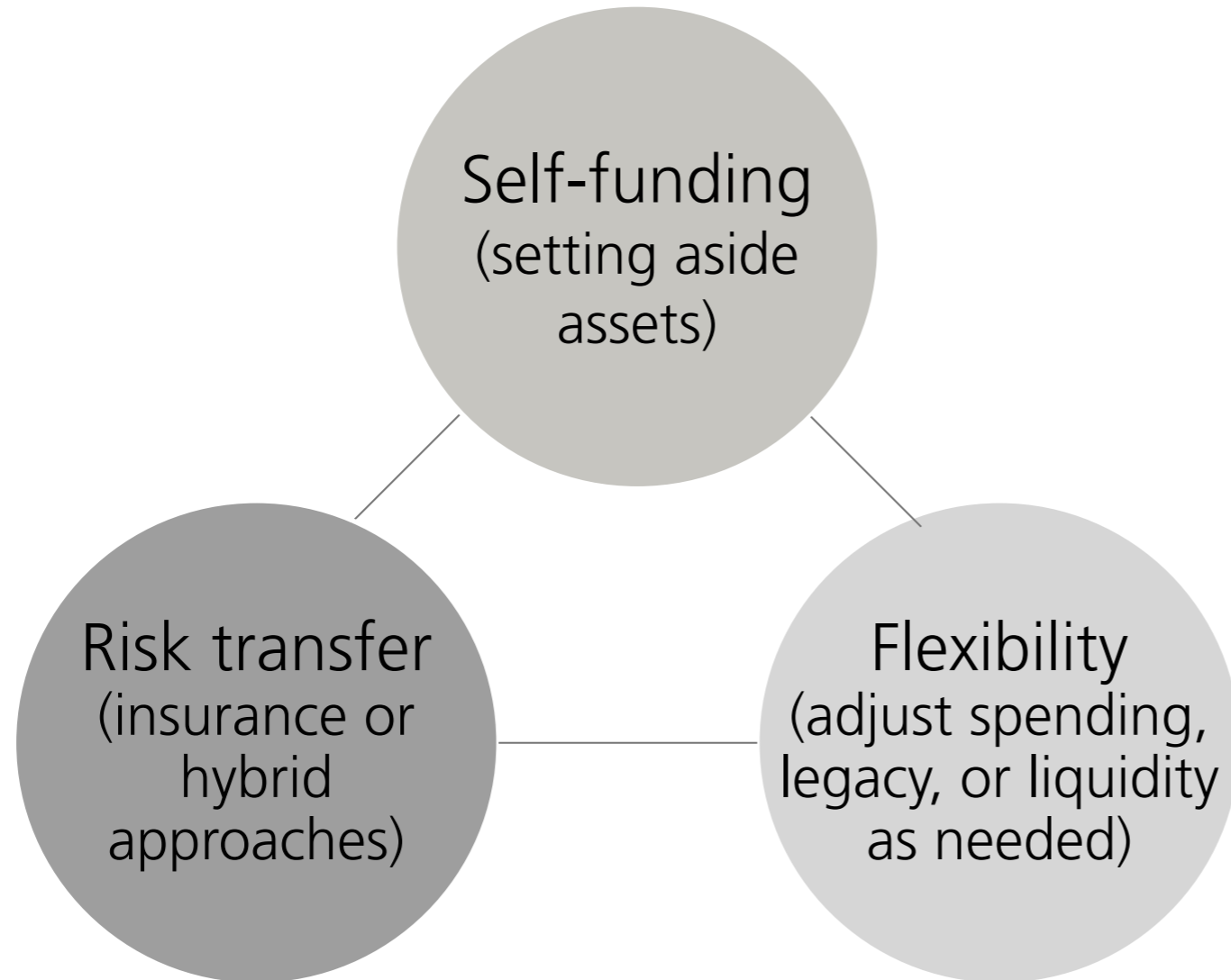


Consider this...

Who would step in for you, and are they prepared?

Ways to approach it

There's no one "right" solution. Many plans tend to use a combination of approaches.



Consider this...

Which of these are you relying on today? Is this intentionally or unintentionally?

Options one may consider when planning for long-term care (LTC) expenses

There's no one "right" solution

Option	Description	Benefits	Considerations
Self-fund	Use liquid assets to pay for LTC expenses	Flexibility; no premium payments	Requires significant liquidity and risk tolerance; may not cover catastrophic LTC needs
Hybrid long-term care insurance policy	Provides LTC benefits and a death benefit if LTC is not used	Death benefit; return-of-premium provision	Significant upfront premium; using LTC benefits reduces or eliminates death benefit
Permanent insurance policy with LTC rider	Life insurance policy with LTC benefit rider	Fixed premium; can meet both LTC and life insurance needs	May be expensive if life insurance is not needed; underwriting requirements vary
Stand-alone LTC insurance	Insurance covering only LTC risk	Customizable coverage; reimbursement or cash options	Premiums may increase; benefits may be lost if not used; medical underwriting required

Options one may consider when planning for long-term care expenses (continued)

There's no one "right" solution

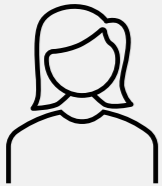
Option	Description	Benefits	Considerations
1035 exchange	Use funds from a permanent insurance policy via 1035 exchange	No tax consequences; can fund new LTC or hybrid policy	Original policy must have cash value; medical underwriting may be required
Group LTC insurance (via payroll deduction)	Employer- or association-sponsored LTC insurance	Lower group rates; easier qualification; payroll deduction	Limited portability; fewer customization options; may lose coverage if employment ends
Medicaid	Government program for low-income individuals	Can cover most or all LTC costs for eligible individuals	Strict income/asset limits; limited provider/facility choice; may require spend-down
Health Savings Account (HSA)	Tax-advantaged account for medical/LTC expenses	Tax-free withdrawals for qualified LTC expenses	Contribution limits; only available with high-deductible health plans

What having a plan really means

At a minimum, it answers:



Where do you prefer to receive care?



Who makes decisions?



How will it be funded?



Consider this...

If something happened tomorrow, would these answers be clear?

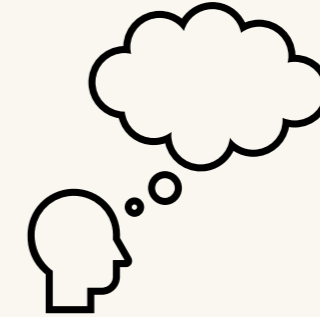
Recap

Key takeaways

1. Most people will need care
2. Costs are uncertain and vary widely
3. What it means to have a plan

You don't need to solve this today—just make sure it's not overlooked.

- Start the conversation with your family
- Stress-test your financial plan
- Revisit periodically



As a starting point, consider addressing the questions below:

- If you need care, would you prefer to remain in your home?
- If at home, who would provide the care?
- What resources will you use to cover costs, if needed? (e.g., self-funding, HSA, LTC insurance, etc.)

Thank you

| Questions?

Contact information

Ainsley Carbone, CFP®

Retirement Strategist

ainsley.carbone@ubs.com

Dan Scansaroli, PhD

Head Global IM Portfolio Strategy & Multi-Asset Solutions Americas

daniel.scansaroli@ubs.com

Justin Waring, APMA®, CFP®

Head UBS Wealth Way Strategy & Solutions

justin.waring@ubs.com

UBS Financial Services Inc.
1285 Avenue of the Americas
New York, NY 10019

UBS Financial Services Inc.
www.ubs.com/financialservicesinc

© 2026 UBS Financial Services Inc.
All Rights Reserved. Member SIPC.
UBS Financial Services Inc. is a subsidiary of UBS AG

Important Information and Disclosures

Non-traditional asset classes are alternative investments that include hedge funds, private equity, real estate, and managed futures (collectively, alternative investments). Interests of alternative investment funds are sold only to qualified investors, and only by means of offering documents that include information about the risks, performance and expenses of alternative investment funds, and which clients are urged to read carefully before subscribing and retain. An investment in an alternative investment fund is speculative and involves significant risks.

Specifically, these investments (1) are not mutual funds and are not subject to the same regulatory requirements as mutual funds; (2) may have performance that is volatile, and investors may lose all or a substantial amount of their investment; (3) may engage in leverage and other speculative investment practices that may increase the risk of investment loss; (4) are long-term, illiquid investments, there is generally no secondary market for the interests of a fund, and none is expected to develop; (5) interests of alternative investment funds typically will be illiquid and subject to restrictions on transfer; (6) may not be required to provide periodic pricing or valuation information to investors; (7) generally involve complex tax strategies and there may be delays in distributing tax information to investors; (8) are subject to high fees, including management fees and other fees and expenses, all of which will reduce profits.

Interests in alternative investment funds are not deposits or obligations of, or guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other governmental agency. Prospective investors should understand these risks and have the financial ability and willingness to accept them for an extended period of time before making an investment in an alternative investment fund and should consider an alternative investment fund as a supplement to an overall investment program.

In addition to the risks that apply to alternative investments generally, the following are additional risks related to an investment in these strategies:

- **Hedge Fund Risk:** There are risks specifically associated with investing in hedge funds, which may include risks associated with investing in short sales, options, small-cap stocks, “junk bonds,” derivatives, distressed securities, non-U.S. securities and illiquid investments.
- **Managed Futures:** There are risks specifically associated with investing in managed futures programs. For example, not all managers focus on all strategies at all times, and managed futures strategies may have material directional elements.
- **Real Estate:** There are risks specifically associated with investing in real estate products and real estate investment trusts. They involve risks associated with debt, adverse changes in general economic or local market conditions, changes in governmental, tax, real estate and zoning laws or regulations, risks associated with capital calls and, for some real estate products, the risks associated with the ability to qualify for favorable treatment under the federal tax laws.
- **Private Equity:** There are risks specifically associated with investing in private equity. Capital calls can be made on short notice, and the failure to meet capital calls can result in significant adverse consequences including, but not limited to, a total loss of investment.
- **Foreign Exchange/Currency Risk:** Investors in securities of issuers located outside of the United States should be aware that even for securities denominated in U.S. dollars, changes in the exchange rate between the U.S. dollar and the issuer’s “home” currency can have unexpected effects on the market value and liquidity of those securities. Those securities may also be affected by other risks (such as political, economic or regulatory changes) that may not be readily known to a U.S. investor.

Important Information and Disclosures

529 Plans are sold via Program Descriptions (sometimes called Program Brochures), which contain detailed information regarding the plan, risks, charges and tax treatment. Clients can obtain a free Program Description of their choice from the investment management company sponsoring a 529 Plan or a Financial Advisor. Read the Program Description carefully before investing.

Purpose of this document: This is marketing material intended to help you understand services and investments we offer. It should be used solely for the purposes of discussion with your UBS Financial Advisor and your independent consideration. UBS does not intend this to be fiduciary or best interest investment advice or a recommendation that you take a particular course of action.

Personalized recommendations or advice: If you would like more details about any of the information provided, or personalized recommendations or advice, please contact your UBS Financial Advisor.

Conflicts of interest: UBS Financial Services Inc. is in the business of establishing and maintaining investment accounts (including retirement accounts) and we will receive compensation from you in connection with investments that you make, as well as additional compensation from third parties whose investments we distribute. This presents a conflict of interest when we recommend that you move your assets to UBS from another financial institution or employer retirement plan, and also when we make investment recommendations for assets you hold at, or purchase through, UBS. For more information on how we are compensated by clients and third parties, conflicts of interest and investments available at UBS please refer to the 'Your relationship with UBS' booklet provided at ubs.com/relationshipwithubs, or ask your UBS Financial Advisor for a copy.

Important information about brokerage and advisory services: As a firm providing wealth management services to clients, UBS Financial Services Inc. offers investment advisory services in its capacity as an SEC-registered investment adviser and brokerage services in its capacity as an SEC-registered broker-dealer. 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 you understand the ways in which we conduct business and that you carefully read the agreements and disclosures that we provide about the products or services we offer. For more information, please review client relationship summary provided at ubs.com/relationshipsummary.

Important additional information applicable to retirement plan assets (including assets eligible for potential rollover, distribution or conversion): This information is provided for educational and discussion purposes and are not intended to be fiduciary or best interest investment advice or a recommendation that you take a particular course of action (including to roll out, distribute or transfer retirement plan assets to UBS). UBS does not intend (or agree) to act in a fiduciary capacity under ERISA or the Code when providing this educational information. Moreover, a UBS recommendation as to the advisability of rolling assets out of a retirement plan is only valid when made in a written UBS Rollover Recommendation Letter to you provided by your UBS Financial Advisor after a review of detailed information that you provide about your plan and that includes the reasons the rollover is in your best interest. UBS and your UBS Financial Advisor do not provide rollover recommendations verbally. With respect to plan assets eligible to be rolled over or distributed, you should review the IRA Rollover Guide UBS provides at ubs.com/irainformation which outlines the many factors you should consider (including the management of fees and costs of your retirement plan investments) before making a decision to roll out of a retirement plan. Your UBS Financial Advisor will provide a copy upon request.

No tax or legal advice: UBS Financial Services Inc., its affiliates, and its employees do not provide tax or legal advice. You should consult with your personal tax and/or legal advisors regarding your particular situation.

Financial planning services: In providing financial planning services, we may act as a broker-dealer or investment adviser. When we act as investment adviser we charge a separate fee for the service and enter into a written agreement with you. The nature and scope of the services are detailed in the documents and reports provided to you as part of the service.

Important Information and Disclosures

As a firm providing wealth management services to clients, UBS Financial Services, Inc is registered with the U.S. Securities and Exchange Commission (SEC) as an investment adviser and a broker-dealer, offering both investment advisory and brokerage services. Advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate contracts. It is important that you carefully read the agreements and disclosures UBS provides to you about the products or services offered. For more information, please see www.ubs.com/workingwithus

There are two sources of UBS research. Reports from the first source, UBS CIO Global Wealth Management, are designed for individual investors and are produced by UBS Global Wealth Management (which includes UBS Financial Services Inc. and UBS International Inc.). The second research source is UBS Group Research, whose primary business focus is institutional investors. The two sources operate independently and may therefore have different recommendations. The various research content provided does not take into account the unique investment objectives, financial situation or particular needs of any specific individual investor. If you have any questions, please consult your Financial Advisor. UBS Financial Services Inc. is a subsidiary of UBS AG and an affiliate of UBS International Inc.

© UBS 2026. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved. UBS Financial Services Inc. is a subsidiary of UBS AG. Member FINRA/SIPC