



UBS Bank Sweep Programs Disclosure Statement

June 2020



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. and UBS Financial Services Incorporated of Puerto Rico (collectively UBS, we or us) offer two 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 one or more deposit accounts at UBS Bank USA (Bank USA), a Federal Deposit Insurance Corporation (FDIC) member bank that is affiliated with UBS:

- UBS Deposit Account Sweep Program (the Deposit Program)
 - UBS Business Account Sweep Program (the Business Program)
- Collectively, we refer to them as the Bank Sweep Programs.

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

In general, most clients (you, your and yours) with a Resource Management Account (RMA), International Resource Management Account, Individual Retirement Account (IRA), Basic Investment Account, Business Services Account BSA, International Business Services Account or Coverdell Education Savings Account will be eligible for one of the Bank Sweep Programs.

Eligibility for the Bank Sweep Programs is based on the type of client rather than the type of Securities Account. Most non-business clients, including employee benefit plans qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended (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), are eligible for the Deposit Program. In cases where a participant in a Plan has established a Securities Account for purposes of participation in the Plan (each a Plan Participant), the Plan Participant will be eligible for the Deposit Program. Most business clients are eligible for the Business Program. More information about eligibility for the Bank Sweep Programs is provided in the section titled “II. How the Bank Sweep Programs Work.”

Securities Accounts that are enrolled in any of the following investment advisory programs (Advisory Accounts) are eligible for one of the Bank Sweep Programs:

- Access
- Managed Accounts Consulting (MAC)
- Portfolio Management Program (PMP)
- Private Wealth Solutions (PWS)
- UBS Institutional Consulting
- UBS Managed Portfolio of Environmental, Social and Governance (ESG) Investments
- UBS Managed Portfolio of Funds (MPF)
- UBS Managed Portfolio of Global Selections
- UBS Managed Portfolio Selections
- UBS Strategic Advisor (SA)
- UBS Strategic Wealth Portfolio (SWP)
- UBS Consolidated Advisory Program (CAP)
- Other programs that we may add from time to time

Retirement accounts that are eligible for one of the Bank Sweep Programs include Individual Retirement Accounts (IRA), including traditional, Roth, SEP and SIMPLE IRAs.

All Securities Accounts that are not Advisory Accounts are referred to as Brokerage Accounts.

For both Bank Sweep Programs, each business day, as long as all debits and charges to your Securities Account have been satisfied, we will automatically transfer, or “sweep,” Free Cash Balances of \$1.00 or more from your Securities Account (other than IRAs and Plans, where we will sweep Free Cash Balances of \$0.01 or more), into one or more deposit accounts at Bank USA (the Deposit Accounts).

As used in this Disclosure Statement, the term “Deposit Accounts” also refers to deposit accounts at UBS AG, Stamford Branch (the AG Stamford Branch) in the Business Program, as applicable. AG Stamford Branch is a US branch of a Swiss bank that is not insured by the FDIC. Business days are Monday through Friday, excluding bank holidays in the State of New York and New York Stock Exchange holidays.

Deposit Program Structure and Withdrawal Limits

If the Deposit Program is your sweep option, we will establish a money market deposit account (MMDA) and a Transaction Account (TA) for you at Bank USA. There are no limitations on withdrawals from your funds on deposit at Bank USA.

Business Program Structure and Withdrawal Limits

If the Business Program is your sweep option, we will establish only an MMDA at Bank USA. For purposes of the Business Program, the MMDA at Bank USA is referred to as the Business Account. UBS limits the number of non-exempt withdrawals from your Business Account at Bank USA to six (6) per calendar month.

Withdrawals to fund the purchases of securities will not be counted toward the withdrawal limit. Withdrawals to satisfy check, debit card and automatic bill pay transactions will be counted toward the limit; multiple check, debit card and automatic bill pay debits incurred in your Securities Account on the same day will be counted as one (1) non-exempt withdrawal. If you reach six (6) non-exempt withdrawals in a calendar month, all remaining funds in your Business Account at Bank USA will be withdrawn and transferred to sweep options that are not subject to withdrawal limits: (i) an available money market fund (Money Market Fund) if your Securities Account is an Advisory Account or (ii) Deposit Accounts at the AG Stamford Branch if your Securities Account is a Brokerage Account. The current Money Market Fund available is the UBS RMA Government Money Market Fund (RMA Fund) and its prospectus is available at ubs.com/sweeppyields or by calling your Financial Advisor.

For the remainder of the month, Free Cash Balances will be swept to your Money Market Fund or Deposit Accounts at the AG Stamford Branch and all withdrawals will be made from your Money Market Fund or Deposit Accounts at the AG Stamford Branch. On the first business day of the next calendar month, these funds will be withdrawn and deposited into your Business Account at Bank USA. Balances in your Money Market Fund and at the AG Stamford Branch will not be eligible for FDIC insurance until they are re-deposited into your Business Account at Bank USA.

Business Program Structure and Withdrawal Limits—Non-US Residents

For all Securities Accounts owned by non-US residents, if you reach six (6) non-exempt withdrawals in a calendar month, the funds in your Business Account at Bank USA will be withdrawn and moved to Deposit Accounts at the AG Stamford Branch for the remainder of the calendar month. On the first business day of the next calendar month, your balances at the AG Stamford Branch will be deposited into your Business Account at Bank USA.

Deposit Accounts at the AG Stamford Branch and balances in the Money Market Fund are not covered by FDIC insurance until such balances are re-deposited into your Business Account at Bank USA.

FDIC Deposit Insurance Available on Deposit Accounts at Bank USA
Funds on deposit at Bank USA 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.).

For Plans and Plan Participants, deposit insurance coverage is based on each participant’s non-contingent interest in the Plan. Please refer to the section titled “XI. FDIC Insurance” for more information.

Any balances in Deposit Accounts at Bank USA 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 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 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 to determine the extent of FDIC deposit insurance coverage available to you, including deposits through both 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 limits applicable to your deposits at Bank USA.

No SIPC Protection

The Deposit Accounts at Bank USA and the AG Stamford Branch 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. 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 "V. UBS AG and the AG Stamford Branch."

Interest Rates

Interest rates paid on funds in your Deposit Accounts at Bank USA and, if applicable, the AG Stamford Branch, are determined by Bank USA and the AG Stamford Branch, respectively, in their discretion based upon a variety of factors, including economic and business conditions.

For clients other than Plans and Plan Participants, interest rates on the Deposit Accounts at Bank USA and the AG Stamford Branch are tiered based on total eligible deposits in a Marketing Relationship. See "Marketing Relationship Assets and Consolidated Account Reporting" in the "General Terms and Conditions" of the Agreements and Disclosures booklet ("General Terms and Conditions") you received after you opened your Securities Account (which is available at 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 Deposit Accounts at Bank USA and the AG Stamford Branch 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."

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 their Deposit Accounts than clients with lower total eligible deposits in a Marketing Relationship or QP/SEP/SIMPLE Relationship.

Interest rates paid on the Deposit Accounts may change daily. Information regarding current interest rates on the Deposit Accounts is available online at ubs.com/sweepyields or by calling your Financial Advisor.

If the Deposit Program is your sweep option, Bank USA will pay the same rate of interest on your TA and MMDA. For the Business Sweep Program, Bank USA and the AG Stamford Branch will generally pay the same rate of interest on Deposit Accounts. However, Bank USA and the AG Stamford Branch reserve the right to pay different interest rates on their respective Deposit Accounts.

Interest rates offered through the Deposit Program and the Business Program will generally be the same. However, the interest rates offered through the Deposit Program may be higher or lower than interest rates offered through the Business Program.

Temporary Sweep Options

Bank USA may stop accepting deposits in its sole discretion at any time, or if it is prohibited from doing so by its banking regulators. Please see section IV titled "Temporary Sweep Options" for more information.

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 both Bank USA and AG Stamford Branch, for each Securities Account that sweeps through either of the Bank Sweep Programs into Deposit Accounts at Bank USA and AG Stamford Branch, respectively. UBS, Bank USA and the AG Stamford Branch will each receive certain benefits in connection with the Bank Sweep Programs.

Alternatives to the Bank Sweep Programs

If your Brokerage Account is not tax-advantaged and is not a Basic Investment Account and your Brokerage Account is eligible to participate in one of the Bank Sweep Programs, you may decline to participate and elect at any time to have your Free Cash Balances remain in your Brokerage Account without any payment of interest. If you are a resident of Puerto Rico and do not wish to have your Free Cash Balances swept into one or more Deposit Accounts at Bank USA, you may elect at any time to have your Free Cash Balances automatically swept, without limit, to the Puerto Rico Short Term Investment Fund, Inc.

If your Securities Account is eligible to participate in one of the Bank Sweep Programs, and is either tax-advantaged or is a Basic Investment Account (whether tax-advantaged or not), the only sweep options UBS offers for the investment of Free Cash Balances are the Bank Sweep Programs. Tax-advantaged Securities Accounts include, but are not limited to, Securities Accounts of Plans, Plan Participants and IRAs. If your tax-advantaged Securities Account or Basic Investment Account is a Brokerage Account and 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. If your tax-advantaged Securities Account or Basic Investment Account is an Advisory Account, Free Cash Balances must be swept through one of the Bank Sweep Programs.

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 cash. Such alternatives will require you to direct us to invest your cash balances, rather than having your cash balances automatically swept.

II. How the Bank Sweep Programs Work

Eligibility

The Deposit Program is available only to:

- Individuals
- IRAs
- Sole proprietorships
- Governmental entities
- Plans and Plan Participants (excluding Plans with a pooled plan structure)

Custodial accounts are eligible for the Deposit Program as long as none of the beneficiaries is a business entity.

The Business Program is available only to:

- Business entities, such as corporations, partnerships, limited liability companies, associations, and business trusts but **excluding** sole proprietorships
- Nonprofit organizations, including organizations described in Sections 501(c)(3) through (13) and (19) of the 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

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, (3) any Securities Account owned by a revocable trust or irrevocable trust if all trust beneficiaries are natural persons and/or nonprofit organizations and (4) 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.

Information regarding current yields for the Money Market Fund is available online at ubs.com/sweepyields, through UBS Online Services or by calling your Financial Advisor. A prospectus for the Money Market Fund is available online at ubs.com/sweepyields, or by contacting your Financial Advisor.

An investment in the Money Market Fund is not insured or guaranteed by the FDIC or any other government agency. Although the Money Market Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Money Market Fund. The Money Market Fund is offered only by prospectus. Investors should consider the investment objectives, charges, expenses and risk factors carefully before investing. The prospectus contains this and other information. Please read it carefully before you invest.

Bank USA Deposit Procedures: The Deposit Program

When Free Cash Balances in your Securities Account are first available to be swept to Bank USA (as described in the Agreements and Disclosures booklet), UBS, acting as your agent, will open Deposit Accounts consisting of a Transaction Account (TA) and a money market deposit account (MMDA) on your behalf at Bank USA. Acting as your agent, UBS will deposit Free Cash Balances into your MMDA. All withdrawals will be made from your TA. Periodically, UBS will transfer funds from your MMDA to your TA as necessary to satisfy purchases, withdrawals and other transactions in your Securities Account. Transfers from the MMDA to the TA and withdrawals from the TA are discussed under "Withdrawal Procedures: the Deposit Program."

Bank USA Deposit Procedures: The Business Program

When Free Cash Balances in your Securities Account are first available to be swept to Bank USA (as described in the Agreements and Disclosures booklet), UBS, acting as your agent, will open a Business Account on

your behalf at Bank USA. Acting as your agent, UBS will deposit Free Cash Balances into your Business Account.

If during any calendar month your withdrawals from your Business Account at Bank USA reach the limit described below under "Withdrawal Procedures," your funds will be withdrawn from Bank USA and transferred to sweep options that are not subject to withdrawal limits: (i) the Money Market Fund if your Securities Account is an Advisory Account or (ii) Deposit Accounts at the AG Stamford Branch) if your Securities Account is a Brokerage Account or if your Business Account is owned by non-US resident. For the remainder of that calendar month, your Free Cash Balances will be invested in your Money Market Fund or Deposit Accounts at AG Stamford Branch. On the first business day of the following month, all funds will be withdrawn and deposited in your Business Account at Bank USA.

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 both 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 and 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 funds may exceed FDIC insurance limits at Bank USA.

You should carefully review the section titled "XI. FDIC Insurance."

Interest on the Deposit Accounts will be compounded 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.

Withdrawal Procedures: General

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 Accounts at Bank USA or the AG Stamford Branch.

Withdrawal Procedures: The Deposit Program

UBS limits the number of transfers from an MMDA to six (6) per month (or per statement cycle). At any point during a calendar month in which transfers from your MMDA have reached the applicable limit, all funds will be transferred from your MMDA to the related TA until the end of that calendar month. At the beginning of the next calendar month, funds on deposit in your TA will be transferred to your MMDA, less any threshold balance we elect to maintain. The limit on MMDA transfers will not limit the number of withdrawals you can make from funds on deposit at Bank USA or the AG Stamford Branch.

To reduce the number of transfers between your MMDA and TA, UBS may elect to maintain a threshold balance in your TA based upon the amount of debit activity in your Securities Account. You will earn the same rate of interest and receive the same level of FDIC insurance coverage (with respect to your Deposit Accounts at Bank USA) regardless of the allocation of your funds between your MMDA and TA.

Withdrawal Procedures: The Business Program

UBS limits the number of non-exempt withdrawals from your Business Account at Bank USA to six (6) per calendar month.

Withdrawals to fund the purchase of securities will not be counted toward the withdrawal limit. Withdrawals to satisfy check, debit card and automatic bill pay transactions will be counted toward the withdrawal limit; multiple check, debit card and automatic bill pay debits incurred in your Securities Account on the same day will be counted as one (1) non-exempt withdrawal.

If you reach six (6) non-exempt withdrawals in a calendar month, all remaining funds in your Business Account at Bank USA will be and transferred to sweep options that are not subject to withdrawal limits: (i) the Money Market Fund if your Securities Account is an Advisory Account or (ii) Deposit Accounts at the AG Stamford Branch if your Securities Account is a Brokerage Account. For the remainder of the month, Free Cash Balances in your Securities Account will be swept to your Money Market Fund or Deposit Accounts at AG Stamford Branch, as applicable, and all withdrawals will be made from your Money Market Fund or Deposit Accounts at AG Stamford Branch. On the first business day of the following month, all funds will be deposited back into your Business Account at Bank USA.

Withdrawal Procedures: the Business Program—Non-US Residents

For Securities Accounts owned by non-US residents, if you reach six (6) non-exempt withdrawals in a calendar month, the funds in your Business Account at Bank USA will be withdrawn and moved to Deposit Accounts at AG Stamford Branch for the remainder of the calendar month. For the remainder of the calendar month, your Free Cash Balances will sweep to Deposit Accounts at AG Stamford Branch. On the first business day of the next calendar month, all balances in Deposit Accounts at AG Stamford Branch will be deposited into your Business Account at Bank USA. **Deposit Accounts at the AG Stamford Branch are not eligible for FDIC insurance until such balances are re-deposited into your Business Account at Bank USA.**

Funds in the Money Market Fund or Deposit Accounts at the AG Stamford Branch will not be eligible for FDIC insurance until they are re-deposited into your Business Account at Bank USA.

Prior Written Notice of Withdrawal

As required by federal banking regulations, Bank USA and the AG Stamford Branch reserve the right to require seven (7) days prior written notice before permitting a withdrawal or transfer of funds from an MMDA and/or from the TA. Neither Bank USA nor the AG Stamford Branch has any intention of exercising this right at the present time.

III. 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.

If the Deposit Program is your sweep option, Bank USA will pay the same rate of interest on your TA and MMDA. If you have balances in Deposit Accounts at the AG Stamford Branch through the Business Program, the AG Stamford Branch will pay the same rate of interest on your TA and MMDA. For both Bank Sweep Programs, Bank USA and the AG Stamford Branch will generally pay the same rate of interest on Deposit Accounts. However, Bank USA and the AG Stamford Branch reserve the right to pay different interest rates on Deposit Accounts.

The interest rates offered through the Deposit Program and the Business Program will generally be the same. However, Bank USA and the AG Stamford Branch reserve the right to pay different interest rates.

Interest will accrue on the Deposit Account balances from the day funds are deposited at Bank USA or the AG Stamford Branch, as applicable, through the business day preceding the date of withdrawal from Bank USA or the AG Stamford Branch, as applicable. Interest on Deposit Account balances will be accrued daily, 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.** 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).

Interest rates paid on your Deposit Accounts may equal, exceed or be lower than the prevailing yield on the Money Market Fund.

The interest on the Deposit Accounts may be higher or lower than the interest rates available to depositors making deposits directly with Bank USA 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 and the AG Stamford Branch 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, all deposits at Bank USA and AG Stamford Branch 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 AG Stamford Branch 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, all deposits at Bank USA and AG Stamford Branch 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 the Deposit Program than in the Business Program. Information regarding current interest rates and interest rate tiers is available online at ubs.com/sweepyields, through UBS Online Services or by calling your Financial Advisor.

IV. Temporary Sweep Options

Bank USA may stop accepting deposits (1) in its sole discretion at any time or (2) if it is prohibited from doing so by its banking regulators. If Bank USA stops accepting deposits, existing funds on deposit at Bank USA will remain on deposit. On the business day on which Bank USA stops accepting deposits (Implementation Date), you agree and authorize us, without additional notice to you, to sweep your Free Cash Balances to a "Temporary Sweep Option." The interest rate or yield on the Temporary Sweep Option may be higher or lower than the interest rate on your Deposit Accounts at Bank USA. For all Securities Accounts that are retirement accounts, the Temporary Sweep Option will be the UBS Liquid Assets Government Fund (Liquid Assets Fund) (or such other fund that may replace such fund). For all other Securities Accounts your Temporary Sweep Option will be the Money Market Fund (or such other fund that may replace such fund). We will continue to sweep your Free Cash Balances to your Temporary Sweep Option until such time, if ever, that Bank USA resumes accepting deposits.

Continuation of Transaction Limits for the UBS Business Account Sweep Program

If the UBS Business Account Sweep Program is your Sweep Option, withdrawals from your Business Account at Bank USA will continue to be limited to six non-exempt withdrawals per calendar month.

Order of Withdrawals

The order of withdrawals to satisfy debits in your Securities Account will not change if Bank USA stops accepting deposits or if Bank USA resumes accepting deposits. Withdrawals will follow the same order as described in the General Terms and Conditions governing your Securities Account.

Fund Prospectus

You may obtain a copy of prospectus for either the Money Market Fund or the Liquid Assets Fund from your Financial Advisor or online

at ubs.com/usmoneymarketfundsholdings. Yields on these funds may be less than the interest rates offered by Bank USA and the AG Stamford Branch.

No Prior Notice Before Free Cash Balances Begin Sweeping to Your Temporary Sweep Option

You will not receive prior notice if Bank USA stops taking deposits and Free Cash Balances have begun sweeping to your Temporary Sweep Option, but you will be notified as follows:

- Notices will be posted to our public and private websites not later than the Implementation Date.
- Your Securities Account statements will indicate your Temporary Sweep Option by showing the balances in, and name of, your Temporary Sweep Option.
- Your next quarterly Securities Account statement will include a notice regarding the change unless the Implementation Date occurs on a date so close to when Securities Account statements are prepared that it makes such notice impractical.
- You will receive a prospectus for the applicable money market fund if your Free Cash Balances are being swept to that fund, unless you held balances in that fund prior to the Implementation Date, and already received the prospectus.

Election by Bank USA to Resume Accepting Deposits

If Bank USA subsequently resumes accepting deposits, upon 30 days' prior written notice to you, we will resume sweeping your Free Cash Balances to Deposit Accounts at Bank USA in accordance with the terms of the Bank Sweep Programs.

Please note that Bank USA has no obligation to resume accepting deposits.

V. 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.) (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 & Poor's, at www.moody.com and 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 inasmuch 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 <https://www.federalreserve.gov/secure/forms/lefoiaform.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 <http://www.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 <http://www.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.

VI. Viewing Information About Your Deposit Accounts

All activity in your Deposit Accounts at Bank USA and the AG Stamford Branch, 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 UBS 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.

VII. Changes to the Bank Sweep Programs

UBS may modify or terminate either 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, adding or eliminating depository institutions and adding or eliminating Secondary Sweep Options. 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 Program 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.

VIII. 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.

IX. Your Relationship with UBS, Bank USA, UBS AG and the AG Stamford Branch

Under the Bank Sweep Programs, UBS acts as your agent in establishing Deposit Accounts at Bank USA and the AG Stamford Branch, 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, the AG Stamford Branch or UBS AG.

Your ownership of the deposited funds will be evidenced by a book entry on the records of Bank USA and the 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 and the AG Stamford Branch. You should retain the statements for your records.

Each 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 the AG Stamford Branch constitutes an obligation of the AG Stamford Branch only, and is not guaranteed directly or indirectly by UBS or Bank USA. The payment of principal and interest on the Deposit Accounts at the AG Stamford Branch is subject to the creditworthiness of UBS AG. Publicly available financial information about Bank USA is available at <http://www.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 the 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 or the AG Stamford Branch, subject to the policies of Bank USA or the AG Stamford Branch, as applicable, 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 or the AG Stamford Branch 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 or the AG Stamford Branch, 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 either of 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.

X. Benefits to UBS and Its Affiliates

Bank USA and the AG Stamford Branch use the cash balances in the Deposit Accounts to fund new lending and investment activity. Bank USA and the 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 they pay for deposits, and (b) the sum of the amount of interest that they charge for loans and the return on investments made with any deposits that they do not need to fund loans.

As with other depository institutions, the profitability of Bank USA and the AG Stamford Branch is determined largely by the difference between the interest paid and the costs associated with their deposits, and the interest or other income earned on their loans, investments and other assets.

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

In connection with the Money Market Fund, UBS receives (1) service fees via payments by the principal underwriter, (2) transfer agency-related delegated service fees from the transfer agent and (3) revenue sharing payments from UBS Asset Management (Americas) Inc. (UBS AM) related to assets in the funds. Service fees are paid monthly at an annual rate of up to 0.25% of a fund's average daily net assets. Revenue sharing payments for the funds are paid to UBS by UBS AM and may not exceed 0.12% of the fund's average daily net assets.

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 the AG Stamford Branch for the Deposit Accounts.

XI. FDIC Insurance

General Information

Deposit Accounts 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.

Deposit Accounts at the AG Stamford Branch 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.

In the unlikely event of the failure of the AG Stamford Branch, you will be a general unsecured creditor of UBS AG.

In general, Deposit Accounts at Bank USA 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. 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 funds become eligible for deposit insurance immediately upon placement in your Deposit Accounts at Bank USA. Generally, any accounts or deposits (including certificates of deposit issued by Bank USA) that you maintain directly with Bank USA, 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 Accounts for purposes of calculating the maximum insurance amount.

In the unlikely event that Bank USA should fail, the Deposit Accounts are insured, up to the maximum insurance amount, for principal and interest accrued to the day Bank USA 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 Bank Sweep Programs, 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.

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

Neither UBS nor UBS AG will be responsible for any insured or uninsured portion of the Deposit Accounts, 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 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.

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 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 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 non-contingent 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: <https://www5.fdic.gov/starsmail/index.asp>
- Online: www.fdic.gov/deposit/index.html

XII. 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.

Shares in the Money Market Fund are not bank deposits, are not protected by the FDIC, are not bank guaranteed, and may lose value. However, such shares held in your Securities Account(s) are covered by SIPC and the insurance we have obtained for your benefit.

XIII. Alternatives to the Bank Sweep Programs

Securities Accounts That Are Not Tax-Advantaged (excluding Basic Investment Accounts)

Unless you are a resident of Puerto Rico or have an Ineligible Account, UBS does not offer sweep options other than the Bank Sweep Programs for the investment of Free Cash Balances for Securities Accounts that are not tax-advantaged (and are not Basic Investment Accounts). 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.

If you are a resident of Puerto Rico and subject to eligibility requirements, you may elect to have your Free Credit Balances swept into the Puerto Rico Short Term Investment Fund, Inc. **The Puerto Rico Short Term Investment Fund, Inc. is offered exclusively to Puerto Rico residents as defined in the Fund's prospectus. The Puerto Rico Short Term Investment Fund, Inc. is not a money market fund registered under the US Investment Company Act of 1940, as amended, does not comply with rules applicable to US registered funds and presents a higher degree of risk than those funds. The Puerto Rico Short Term Investment Fund, Inc. is sold by prospectus only, is not FDIC-insured, is not bank guaranteed and may lose value.**

If you are a resident of Puerto Rico, you may select the Puerto Rico Short Term Investment Fund, Inc. as your sweep option when you open your Securities Account or by contacting your Financial Advisor at any time. Please note that Plans and Plan Participants, Basic Investment Accounts, IRAs and other tax-deferred accounts are not eligible to select the Puerto Rico Short Term Investment Fund, Inc. as their sweep option.

Tax-Advantaged Securities Accounts and Basic Investment Accounts

Other than the Bank Sweep Programs and excluding Ineligible Accounts, UBS does not offer sweep options for the investment of Free Cash Balances for tax-advantaged Securities Accounts or Basic Investment Accounts, whether tax-advantaged or not. Tax-advantaged Securities Accounts include, but are not limited to, Securities Accounts of Plans, Plan Participants and IRAs.

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 and the AG Stamford Branch.

An Ineligible 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, 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.

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2020-284155

