



**CLAYTON CITY COUNCIL
REGULAR MEETING AGENDA**

**Tuesday, October 1, 2024
7:00 p.m.**

**Hoyer Hall, Clayton Community Library
6125 Clayton Road, Clayton, CA 94517**

Zoom Videoconference and Call-in:

Webinar: <https://us02web.zoom.us/j/81342918951>

Telephone: 1 + (669) 900 - 9128 **Webinar ID:** 813 4291 8951

Jim Diaz, Mayor

Kim Trupiano, Vice Mayor

Peter Cloven, Councilmember

Holly Tillman, Councilmember

Jeff Wan, Councilmember

1. CALL TO ORDER AND ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT ON NON - AGENDA ITEMS

Members of the public may address the City Council on non-agendized items within the Council's jurisdiction. To ensure an orderly meeting and an equal opportunity for everyone, each speaker is limited to three (3) minutes, or the time established by the Mayor. In accordance with State Law, no action may take place on any item not appearing on the posted agenda. The Council may respond to statements made or questions asked or may at its discretion request staff to report back at a future meeting concerning the matter.

Public comment and input on other agenda items will be allowed when each item is considered by the Council.

4. **CONSENT CALENDAR**

Consent Calendar items are typically routine in nature and are considered for approval by one single motion. Members of the Council, audience, or Staff wishing an item removed from the Consent Calendar for purpose of public comment, question, discussion, or alternative action may request so through the Mayor.

- a. Approval of the September 17, 2024, Meeting Minutes (City Clerk)
([View](#))
- b. Authorize the City Manager to execute a First Amendment to the Consulting Services Agreement with Muchmore than Consulting, LLC for interim fiscal and human resources services for an additional \$50,000 in compensation for a total contract price not to exceed \$80,000, effective June 15, 2024, through January 31, 2025. (Assistant City Manager)
Continued from the September 17, 2024, meeting; Item 4(f).
([View](#))
- c. Adopt a Resolution renewing the authorization to invest monies in the Local Agency Investment Fund (“LAIF”) in accordance with Section 16429.1 of the California Government Code. (Assistant City Manager)
([View](#))
- d. Authorize the City Manager to execute a contract with UBS for investment advisory services, at a rate of 20 basis points effective October 1, 2024. (Assistant City Manager)
([View](#))

5. **RECOGNITIONS AND PRESENTATIONS**

- a. Proclaim November 6, 2024, as National Shelter in Place Education Day
- b. Presentation on Code Enforcement Activities
([View](#))

6. **REPORTS**

- a. City Manager / Staff
 - Link to ClearGov Transparency Portal:
<https://cleargov.com/california/contra-costa/city/clayton/checkbook>

7. **PUBLIC HEARINGS**

(There are no Public Hearings scheduled for this meeting.)

8. **ACTION ITEMS**

- a. Discussion on Whether to Create a City Flag
[\(View\)](#)

9. **COUNCIL ITEMS** – Limited to Council requests and directives for future meetings.

10. **COUNCIL REPORTS**

11. **ADJOURNMENT**

The next regularly scheduled meeting of the City Council will be October 15, 2024. For meeting information and materials, please visit the City's website at www.claytonca.gov

Meeting Information and Access

- A complete packet of information containing staff reports and exhibits related to each public item is available for public review in City Hall located at 6000 Heritage Trail and on the City's website at www.claytonca.gov
- Agendas are posted at: 1) City Hall, 6000 Heritage Trail; 2) Library, 6125 Clayton Road; 3) Ohm's Bulletin Board, 1028 Diablo Street, Clayton; and 4) City Website at www.claytonca.gov
- Any writings or documents provided to a majority of the City Council after distribution of the agenda packet and regarding any public item on this agenda will be made available for public inspection in the City Clerk's office located at 6000 Heritage Trail during normal business hours and is available for review on the City's website at www.claytonca.gov
- If you have a physical impairment requiring special accommodation to participate, please call the City Clerk's office at least 72 hours (about 3 days) before the meeting on (925) 673-7300.

Remote Access

The public may attend City Council meetings in-person or remotely via livestream on the City's website and through Zoom. As a courtesy, and technology permitting, members of the public may continue to provide live remote oral comment via the Zoom video conferencing platform. However, the City cannot guarantee that the public's access to teleconferencing technology will be uninterrupted, and technical difficulties may occur from time to time. Unless required by the Brown Act, the meeting will continue despite technical difficulties for participants using the teleconferencing option.

1. **Videoconference:** Click or visit the link on the front page of the meeting agenda. To access the webinar, you may download the Zoom client application or connect to the meeting in the web browser. You will be asked to enter your email address and name.

When the Mayor calls your item of interest, click the "raise hand" icon to be added to the speaker queue. The Clerk will identify you by name and you will hear "you have been unmuted" when it is your turn to provide public comment.

2. **Phone-in:** Dial the telephone number provided on the front page of the agenda. When prompted, enter the meeting ID. Once connected you will hear the meeting discussions but will remain muted. When your item of interest is called, please dial *9 to "raise hand" and be added to the speaker queue. The Clerk will identify you by the last 4-digits of your phone number and you will hear "you have been unmuted" when it is your turn to provide public comment. To toggle between mute/unmute on your device, please dial *6.

3. **E-mail Public Comments:** Public comment may also be sent to the City Clerk at cityclerk@claytonca.gov by 5:00 p.m. on the day of the meeting. All e-mailed public comments will be forwarded to the entire City Council and made part of the official meeting file.

Each person attending the meeting in-person, via videoconference, or call-in and who wishes to speak on an agenda item or non-agenda item (within the council's jurisdiction), shall have a set amount of time to speak as determined by the Mayor.



**MINUTES
OF THE
REGULAR MEETING
CLAYTON CITY COUNCIL**

TUESDAY, SEPTEMBER 17, 2024

- CALL TO ORDER AND ROLL CALL** – The meeting was called to order at 7:00 p.m. by Mayor Diaz held via a hybrid meeting format live in-person and Zoom videoconference and broadcast from Hoyer Hall, Clayton Community Library, 6125 Clayton Road, Clayton, California. Councilmembers present: Mayor Diaz, Vice Mayor Trupiano, and Councilmembers: Cloven, Tillman, and Wan. Staff present: City Manager, Kris Lofthus; Assistant City Manager, Regina Rubier; Police Chief, Richard McEachin; City Attorney, Malathy Subramanian; and City Clerk, Stephanie Cabrera-Brown.
- PLEDGE OF ALLEGIANCE** – Led by Mayor Diaz
- PUBLIC COMMENT ON NON - AGENDA ITEMS**
Members of the public may address the City Council on non-agendized items within the Council's jurisdiction. To ensure an orderly meeting and an equal opportunity for everyone, each speaker is limited to three (3) minutes, or the time established by the Mayor. In accordance with State Law, no action may take place on any item not appearing on the posted agenda. The Council may respond to statements made or questions asked or may at its discretion request Staff to report back at a future meeting concerning the matter.

Public comment and input on other agenda items will be allowed when each item is considered by the Council.

Maria Shulman – Spoke regarding her qualifications for City Council noting that she is a long-time city resident, Nurse, Chair of the Planning Commission, member of the Clayton Community Library Foundation, and has participated in many city and local events.

Richard Enea – Spoke regarding his qualifications for City Council noting that he is a longtime resident, retired Clayton Police Officer, former Chair of the Planning Commission, CBCA member, and an active member of the community.

Holly Tillman (Councilmember) – Spoke regarding her qualifications for re-election and the work that has been done during her current term.

At the request of Mayor Diaz, Vice Mayor Trupiano assumed the chair at 7:11 p.m.

Jim Diaz (Councilmember) – Spoke regarding his qualifications for re-election and spoke regarding work that has been completed during his current term.

The Mayor resumed the chair at 7:14 p.m.

4. CONSENT CALENDAR

It was moved by Councilmember Wan, seconded by Vice Mayor Trupiano to approve Consent Calendar item 4(a) - 4 (e), and 4 (g) as submitted. Item 4(f) to be continued to the meeting of October 1, 2024. (Passed: 5- 0).

- a. Approval of August 20, 2024, Meeting Minutes
(City Clerk)
- b. Approve a Digital Signature Policy to increase productivity and ensure convenient, timely and appropriate access to City information by using electronic signature technology to collect and preserve signatures. (City Clerk)
- c. Amend the Fountain Operational Policy to add the Clayton Historical Society's Halloween Home Tours event in October. This event would replace the previously approved Halloween Parade/Ghost Walk event that is no longer held. (City Clerk)
Note: The policy will be an update to the August 2, 2022, amendment.
- d. Adopt a Resolution appointing both a Board Member and an Alternative Board Member to the Municipal Pooling Authority of Northern California Board of Directors. (Assistant City Manager)
Resolution 36-2024
- e. Adopt a Resolution authorizing the City Manager to apply for and accept funding from Municipal Pooling Authority (MPA) for a Risk safety grant in an amount not to exceed \$14,500 to address risk control programs that fall within the current MPA Risk Control Program Performance Measures framework. (Assistant City Manager)

(The Budget and Audit Committee reviewed and recommended this item at their September 10, 2024, meeting; Item 4)

Resolution 37-2024

- f. Authorize the City Manager to execute an agreement with Muchmore than Consulting, LLC (MTC) for interim fiscal and human resources services, in an amount not to exceed \$80,000, effective June 15, 2024, through June 30, 2025. (Assistant City Manager)

(The Budget and Audit Committee reviewed and recommended this item at their September 10, 2024, meeting; Item 6)

Item continued to the October 1, 2024, meeting for further discussion.

- g. Approve the purchase of eight (8) new Panasonic Toughbook CF-33 Mobile Data Computers (MDC's) to replace the existing MDC's in the department's patrol vehicles, for the amount not to exceed \$61,109.30 and to Approve budget amendment No. 2024-01 for Fiscal Year 2024-25 to transfer from the General Fund, fund balance for purchase of MDC equipment.

Richard Enea – Spoke regarding the Police Department purchase and his previous experience with equipment replacement. Mr. Enea also recommended the city prepare for future equipment replacement

5. RECOGNITIONS AND PRESENTATIONS

- a. Certificates of Recognition to Public School Students for Exemplifying the “Do the Right Thing” Character Trait of “Courage” during the months of May/June/July 2024.

Councilmember Cloven provided a brief overview of the “Do the Right Thing” program and was joined by Vice Principal Miranda Romo (Mount Diablo Elementary) and Principal Vicky Wilson (Diablo View Middle School) to present the awards for “Courage.”

- b. Presentation of fundraising monies to the Parent – Faculty Club from the Concerts in the Grove Donations.

Vice Mayor Trupiano presented the fundraising check to the Parent – Faculty Club.

The Parent-Faculty Club thanked the council and shared how this donation will assist in program funding.

6. REPORTS

- a. City Manager / Staff
- Link to ClearGov Transparency Portal:
<https://cleargov.com/california/contra-costa/city/clayton/checkbook>

Kris Lofthus, City Manager provided a brief introduction and spoke regarding future plans as the new City Manager.

7. PUBLIC HEARINGS

(There were no Public Hearings scheduled for this meeting.)

8. ACTION ITEMS

(There were no Action Items scheduled for this meeting.)

9. COUNCIL ITEMS – Limited to Council requests and directives for future meetings.

Councilmember Tillman requested a discussion to designate a delegate for the League of California Cities and requested to agendaize a discussion to discuss hiring an independent third-party to investigate the staff turnover and requested governance training for the council.

Vice Mayor Trupiano requested to agendaize a discussion to establish a process for council to provide a position on proposed legislation and a discussion regarding reviewing the sign ordinance.

10. COUNCIL REPORTS

Councilmember Cloven attended meeting(s) for: CBCA; TRANSPAC; Clayton Pride; Attended: Clayton Day of Service on 9/7 and 9/11 Day of Remembrance. Shared information for the upcoming events Oktoberfest and the Clayton Historical Society's Halloween House Tour.

Councilmember Wan attended meeting(s) for: Budget and Audit Committee, monthly Climatec meeting, and City Sponsored Special Events; and met with constituents.

Councilmember Tillman attended meeting(s) for: Clayton Pride, Clayton Day of Service, Mt Diablo Education Board Foundation; Attended: a celebration of life for Michael Banducci, farewell lunch for the AAUW Clayton Branch, 9/11 Day of Remembrance; and a tarantulas tour at the Mitchel Canyon Visitors Center.

Vice Mayor Trupiano started by stating one year she was the winner of a Tarantula Naming Contest at the State Park and named one of the spiders Harriett. Attended meeting(s) for: Budget and Audit Committee, Agenda Setting, a City Sponsored Special Events meeting with Councilmember Wan on 8/26, a City Sponsored Financial Audit meeting, and a monthly Climatec meeting. Attended meetings with: City Staff, Constituents, Contra Costa Fire Chiefs; and shared a Clayton Valley Village Community dinner. Will be assisting with a Candidate Forum that is set to occur on 10/2 at Hoyer Hall starting at 7pm. Missed the recent Library Refresh meeting, but has stated plans are still moving forward, and there is more to come.

Mayor Diaz attended meeting(s) for: Contra Costa Senior Legal Services, The Olivia Project, Operations and Scheduling County Connection, Mayors' Conference, final Concert in the Park, East Bay Regional Communications System Authority; Attended: Clayton Day of Service and 9/11 Day of Remembrance. Met with: Former Interim City Manager Adam W. Politzer, and Interim Community Development Director Dan Hortert, and new City Manager Kris Lofthus.

11. **ADJOURNMENT** – on a call by Mayor Diaz, The City Council adjourned its meeting at 8:09 p.m. in memory of Michael Banducci.

The next meeting will be on Tuesday October 1, 2024.

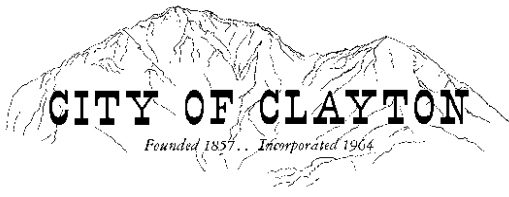
Please note the Minutes of this meeting set forth all actions taken by the City Council on the matters stated, but not necessarily in the chronological sequence in which the matters were taken up.

Respectfully submitted,

Stephanie Cabrera-Brown, City Clerk

APPROVED BY THE CLAYTON CITY COUNCIL

Jim Diaz, Mayor



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City Council Agenda Item 4b

STAFF REPORT

TO: Honorable Mayor and Councilmembers

FROM: Regina Rubier, Assistant City Manager

DATE: October 1, 2024

SUBJECT: Authorize the City Manager to Execute a First Amendment to the Consulting Services Agreement with Muchmore Than Consulting, LLC for interim fiscal and human resources services to provide for an additional \$50,000 in compensation for a total contract price not to exceed \$80,000 effective June 15, 2024, through January 31, 2025.

RECOMMENDATION

Authorize the City Manager to execute a first amendment to the Consulting Services Agreement with Muchmore Than Consulting, LLC for interim fiscal and human resources services to provide for an additional \$50,000 in compensation for a total contract price not to exceed \$80,000 effective June 15, 2024, through January 31, 2025.

BACKGROUND

The City Manager and newly approved Assistant City Manager / Administrative Services Officer positions have recently been filled. In April 2024, the City engaged with Muchmore Than Consulting (MTC) under the City Manager's authority (\$30,000) who has provided timely and effective, recruitment, classification and compensation studies, support for recruitment and selection, oversight for administrative services, budget preparation, and solutions for strategic and tactical fiscal and human resources issues. The work exceeded the City Manager's authority of \$30,000 in mid-June of 2024 and at the request of City staff, MTC continued to serve the City finishing critical work including the following accomplishments: development and presentation of the City's approved budget, successful recruitment for Assistant City Manager / Administrative Services Director, and improvement of staff engagement and culture. Staff recommends continuing the relationship with MTC through the current City executive leadership transition to providing continuity of programs and services.

DISCUSSION

Members of MTC have been providing fiscal, payroll, and human resources services to the City in various capacities since April 2024 when the City's Human Resources Manager position was vacated. Since then, they have provided support to City staff and executives on strategic matters such as budget preparation and presentation, recruitment and selection processes, a successful Assistant City Manager / Administrative Services Director recruitment, performance management, staffing models, classification and compensation strategies. The City is looking for MTC to enhance staffing with the help of a Management Analyst role to include fiscal reporting and contract management.

The initial contract amount was \$30,000, and with this extension, an additional \$50,000 will be added, bringing the total contract value to \$80,000. To date, the City has been invoiced \$52,218.74, leaving a remaining balance of \$27,781.26. Based on the average MTC rate, this equates to approximately 285 hours left under the contract.

City employees and leaders are familiar with and have worked with members of MTC. Elsie Okeyo has facilitated and participated in numerous discussions with City staff members and executives regarding tactical and strategic human resources issues. The firm's experience with the City and its employees will allow for continuity of operations for key human resources programs and assistance to the City for filling key positions in Leadership.

MTC has the knowledge necessary to provide effective and seamless support to the City's leadership team and its employees. Authorizing the City Manager to enter into an agreement for interim services will allow for a smooth transition with the Human Resources and Management Analyst functions and continue to move current recruitments and HR initiatives forward. By extending the contract, this will allow staff ample time to analyze current staffing needs and make recommendations at the mid-year budget review for either additional staffing or another contract extension with MTC. Staff requests Council to authorize the City Manager to continue our business relationship and enter into an agreement with Muchmore Than Consulting, LLC, effective June 15, 2024, for interim fiscal and human resources services and ad hoc support for the coming labor negotiation processes for up to \$80,000.

FISCAL IMPACT

This is an unbudgeted item; therefore, a budget amendment is required. The cost for the additional fiscal and human resources contract will not exceed \$80,000.

CEQA IMPACT

None.

ATTACHMENT(S)

1. Amendment No. 1 Muchmore than Consulting

**AMENDMENT NO. 1
TO THE PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF CLAYTON
AND
MUCHMORE THAN CONSULTING**

This Amendment No. 1 to the Professional Services Agreement is made and entered into as of this ___ day of October, 2024, by and between the City of Clayton, a California municipal corporation (“City”) and Muchmore Than Consulting, LLC, a California limited liability corporation with its principal place of business at 8201 Camino Colegio Suite 11, Rohnert Park, CA 94927 (“Consultant”). City and Consultant are sometimes individually referred to as “Party” and collectively as “Parties.”

RECITALS

A. City and Consultant entered into an agreement entitled “Professional Services Agreement” dated April 17, 2024 (“Agreement”) for the purpose of retaining the services of Consultant to perform preliminary consultative, project, and assessment services as Fiscal, Payroll and Human Resources advisors for the City’s Administrative Services Department.

B. City and Consultant now desire to amend the Agreement to increase the Agreement’s not-to-exceed compensation amount.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Amendment. Section 2b of the Agreement is hereby amended in its entirety to read as follows:

“b. In no event shall the total amount paid for the services rendered by Consultant under this Agreement exceed the sum of Eighty Thousand Dollars (\$80,000). This amount is to cover all related costs. Periodic payments shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.”

2. Continuing Effect of Agreement. Except as amended by this Amendment No. 1, all other provisions of the Agreement remain in full force and effect and shall govern the actions of the parties under this Amendment No. 1. From and after the date of this Amendment No. 1, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement as amended by this Amendment No. 1.

3. Severability. If any portion of this Amendment No. 1 is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall

continue in full force and effect.

**SIGNATURE PAGE FOR AMENDMENT NO. 1 TO PROFESSIONAL SERVICES
AGREEMENT
BETWEEN THE CITY OF CLAYTON
AND MUCHMORE THAN CONSULTING, LLC.**

CITY OF CLAYTON

**MUCHMORE THAN CONSULTING,
LLC.**

Kris Lofthus
City Manager

Signature

Date

Name

ATTEST:

Title

Stephanie Cabrera-Brown
City Clerk

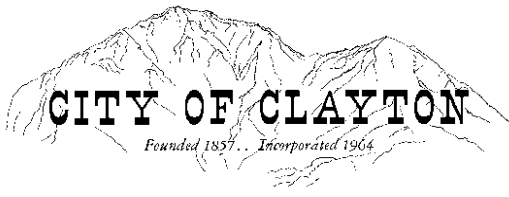
Date

Signature

Name

Title

Date



STAFF REPORT

TO: Honorable Mayor and Councilmembers
FROM: Regina Rubier, Assistant City Manager
DATE: October 1, 2024
SUBJECT: Renew Signature Authorizations for Investing City funds in the Local Agency Investment Fund (LAIF)

RECOMMENDATION

Adopt a Resolution renewing the authorization to invest monies in the Local Agency Investment Fund ("LAIF") in accordance with Section 16429.1 of the California Government Code. The LAIF is a pooled investment fund managed by the State of California Treasures Office.

BACKGROUND

The LAIF is a voluntary program created by State statute in 1977 as an investment alternative for California's local governments. This program is administered by the State Treasurer's Office with monies from the LAIF invested with State monies through the Pooled Money Investment Account ("PMIA"). This program offers local agencies the opportunity to participate in a major portfolio that invests billions of dollars using the investment expertise of the State Treasurer's Office investment staff. LAIF has 2,362 participants and \$23.6 billion as of July 2023. At the end of each calendar quarter, all interest earned in the Fund is distributed by LAIF to the participating governmental agencies directly proportionate to their respective amounts deposited in the Fund and the length of time such amounts remained therein. Prior to the distribution, an amount equal to the reasonable costs of making the investments, not to exceed one-half of 1 percent of the earnings of the Fund, are deducted from the interest earnings. A statement is sent to all fund participants showing balances and transactions for the month.

DISCUSSION

As of August 31, 2024, the City had \$32K invested in LAIF. Investing in LAIF is an authorized investment in the City's Investment Policy that meets the investment objective of safety. Under Federal Law, the State of California cannot declare

bankruptcy; specifically, Section 16429.3 of the State Government Code states that monies placed with the Treasurer for deposit in the LAIF shall not be subject to impound or seizure by any State official or State agency. California Government Code Section 16429.4 was added in 2002 and states that the State cannot withhold LAIF monies if they fail to adopt a budget by the June 30th deadline.

Due to staff turnover and title changes, staff is requesting the approval of the attached Resolution, which will renew authorization to invest monies not required for immediate cash flow needs in the LAIF and designate those authorized to complete such transactions

FISCAL IMPACT

Approval of this resolution will allow the City staff to invest the excess funds and can earn interest. These funds are liquid and can be available for use within one day.

CEQA IMPACT

None

ATTACHMENT(S):

1. Resolution Designating City Personnel Authorized to Invest Monies in the Local Agency Investment Fund (LAIF)
2. LAIF Statement August 2024



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City Council Agenda Item 4d

STAFF REPORT

TO: Honorable Mayor and Councilmembers

FROM: Regina Rubier, Assistant City Manager

DATE: October 1, 2024

SUBJECT: Authorize the City Manager to Execute an Agreement with UBS Financial Services Inc. for Investment Advisory Services, at a rate of 20 basis points effective October 1, 2024.

RECOMMENDATION

Authorize the City Manager to execute a contract with UBS for investment advisory services, at a rate of 20 basis points effective October 1, 2024.

(The Budget and Audit Committee reviewed and recommended this item at their September 10, 2024 meeting; Item 2)

BACKGROUND

In 2014, the City established a non-discretionary investment account with UBS to manage funds designated for longer-term investments. These investments are longer term in nature and therefore less liquid compared to the short-term funds held in the City's primary bank account, making them suitable for future needs rather than immediate expenditures. Currently, the majority of the funds in the UBS account are held in certificates of deposit (CDs), US Treasuries and Government Agency Bonds providing secure, low risk returns. This approach allows the City to earn interest on idle funds while maintaining a conservative investment strategy.

DISCUSSION

The Budget and Audit Committee had a presentation from the UBS representative informing the Committee on the role UBS has played in the City's long-term financial picture. The City is not seeing the full potential of its investment opportunities by applying this investment strategy. By hiring UBS as the fiduciary portfolio manager, the City can save time on managing the day to day of the portfolio. The City will also get institutional level pricing to maximize potential returns.

Staff recommends that the City engage UBS's investment services to help guide its long-term financial strategy and expand its investment portfolio. By leveraging UBS's expertise, the City can pursue a more diversified approach to managing its funds, potentially increasing returns while balancing risk. The fee for these services is 20 basis points (0.20%), which will be applied to the value of the assets under UBS's management. This partnership is expected to provide the City with professional investment advice tailored to its financial goals.

FISCAL IMPACT

This is an unbudgeted item; it is anticipated that the cost of this service is paid through additional investment revenue.

CEQA IMPACT

None.

Attachment:

1. UBS Service Agreement

UBS Portfolio Management Program Investment Advisory Program Proposal

Prepared For
City of Clayton
09/23/2024

Prepared By
James Dill
Senior Vice President
908-470-6222
UBS Financial Services Inc.



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Advisory Relationship Agreement

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 clients understand the ways in which we conduct business, that they carefully read the agreements and disclosures that we provide to them about the products or services we offer. For more information, please review client relationship summary provided at www.ubs.com/relationshipsummary.

Mutual Fund Share Classes in Advisory Accounts: Mutual fund shares used to fund or which are transferred to an advisory account (generally Class A shares) will be automatically converted, on a tax-free exchange basis (subject to availability of that service by the mutual fund sponsor), to the new Institutional, Advisor or Fee-Based share class eligible in the program if one is available for the relevant fund. Generally, institutional and fee-based share classes do not charge a 12b-1 fee. As a result, after the conversion is complete, clients will not receive 12b-1 credits previously associated with Class A shares for converted shares. For a more complete description of the Program, including information regarding Program Fees, please refer to UBS Financial Services Inc. Wrap Fee Programs Form ADV Disclosure Brochure.

Account Profile Review and Proposal

The Account Profile provides you with an overview of your investment goals (ie, objectives, time frame and risk/return tolerance) based on your answers to the Account Profile Questionnaire provided to your Financial Advisor.

Account Profile Review

Investment Amount:	\$12,134,562.70	Investment Time Horizon:	3 - 6 years (an average market cycle)
Account Investment Objective:	Capital Appreciation and Current Income	Short-Term Liquidity Needs:	No
Risk Tolerance:	Low Risk/ Conservative	Portion of TOTAL Investable Assets:	20-40%
Investment Objectives:	Current Income		
Risk/Return Objectives:	Lower Fluctuations, Maintain Capital		

Proposal

The following program and investment strategy proposal is consistent with your Account Profile detailed above.

Proposal

Program Name:	Portfolio Management Program
Account Investment Profile:	Conservative
Investment Style:	Fixed Income
Strategy Risk Category:	I
Comparative Index:	BBG US TSY 1-3Y 100.0%

This proposal is provided to you for discussion and consideration. You understand and agree that you must make an independent decision whether to participate in PMP and invest in the Investment Strategy. You acknowledge that in making those decisions you have reviewed the various investment strategies available to you under the Program and that your decisions are consistent with the terms of any plan with respect to which you are a fiduciary and your obligations to any such plan under ERISA.

This proposal is the result of our understanding of your investment needs based on your responses to the Account Risk Profile for the Portfolio Management Program account(s) included in this proposal. Please make sure that the information is accurate and complete, and that the recommendations correctly reflect your investment objectives for the assets to be invested. If any of the information provided is inaccurate or becomes outdated due to changes in your circumstances, please call us immediately so that we can update your profile to correctly reflect your current situation.

Portfolio Managers Program ("PMP") Investment Profile Descriptions

What follows are general descriptions of PMP Investment Profiles. Investment Strategies within a particular Investment Profile may employ a variety of investment approaches including single security and/or pooled investment vehicles, but are expected to share similar return and volatility characteristics over the long term. Please read this section carefully and consider how your profile score, investment goals, risk tolerance and investment preferences fit within the various categories below.

CATEGORY I

Investment Objective: FA Investment Strategies in Category I are expected to have the lowest volatility of investment returns and the greatest portion of those returns coming from interest income, rather than capital appreciation.

Risk: The principal value of fixed income instruments may fluctuate due to interest rate changes and other factors. Note: Investing in certain portfolios may involve a greater degree of risk than other Category I strategies, due to the nature of their investments.

Portfolio Composition: Investments should generally be comprised of fixed income instruments and cash equivalents. Generally, the bonds selected should be high quality, typically consisting of U.S. Treasury issues, U.S. Agency issues (such as FNMA's and Freddie Mac's), investment-grade corporate issues, or investment-grade municipal issues (if municipal account).

Investor Suitability: FA Investment Strategies in Category I may be an appropriate choice for risk adverse investors with income levels above cash equivalents. These strategies also may be appropriate for investors who wish to expose a portion of their portfolio to a fixed income strategy.

CATEGORY II

Investment Objective: FA Investment Strategies in Category II have the dual objectives of income generation combined with the potential for moderate capital appreciation.

Risk: The principal value of fixed income instruments may fluctuate due to interest rate changes and other factors. Equity securities, historically, have shown greater growth potential than other types of securities, but they have also shown greater volatility. High yield securities (also known as "junk bonds") carry a high degree of risk and are subject to greater loss of principal and interest, including default risk, than investment grade bonds. Therefore, their prices may be more

volatile.

Portfolio Composition: Investments may be distributed among equities, fixed income and cash equivalents, based on the manager's perception of the relative attractiveness of the various asset classes. In the fixed income component of portfolios, FA Investment Strategies may lengthen the average maturity of their bond holdings, decrease the bond holding's average credit quality, include a moderate allocation to below investment grade securities or employ aggressive trading strategies in order to increase the potential yield and/or improve the possibility of capital appreciation. In the equity portion of portfolios, FA Investment Strategies may use a value approach to security selection or a blended strategy approach (incorporating both value and growth strategies) to increase the portfolio's growth potential. Portfolios may include a small allocation to non-U.S. equities.

Investor Suitability: FA Investment Strategies in Category II may be an appropriate choice for investors who are generally risk-averse, yet are willing to accept some degree of risk to achieve moderate appreciation potential.

CATEGORY III

Investment Objective: FA Investment Strategies in Category III may generate income through the interest on fixed income holdings, while seeking capital appreciation through their equity and/or fixed income holdings.

Risk: The principal value of fixed income instruments may fluctuate due to interest rate changes and other factors. Equity securities, historically, have shown greater growth potential than other types of securities, but they have also shown greater volatility. High yield securities (also known as "junk bonds") carry a high degree of risk and are subject to greater loss of principal and interest, including default risk, than investment grade bonds.

Portfolio Composition: These portfolios generally adhere to a balanced approach, investing in a combination of equities, fixed income and cash equivalents, based on the investment manager's judgment of the relative attractiveness of each alternative. The FA Investment Strategy may apply a variety of methods to achieve its goal. For example, on the equity side, it may use a value approach to security selection, while others have a growth orientation. A blend of value and growth strategies may also be utilized. The equity component may also include modest allocations to non-U.S. equities and smaller capitalization companies domiciled in the U.S. Fixed income

strategies may vary in quality, type and maturity and may include lengthening the average maturity of the bond holdings, decreasing the bond holding's average credit quality, investing in securities rated below investment grade or employing aggressive trading strategies in order to increase the potential yield and/or improve the possibility of capital appreciation. FA Investment Strategies in this Category may also offer fixed income strategies composed predominantly of investments in fixed income securities rated below investment grade ("junk bonds").

Investor Suitability: FA Investment Strategies in Category III may be appropriate for those investors seeking a potentially attractive "total return," comprised both of income and capital appreciation, and should be willing to accept a moderate degree of volatility in their returns.

CATEGORY IV

Investment Objective: FA Investment Strategies in Category IV seek long-term returns that are competitive with those of the general stock market, as measured by the Standard & Poor's 500 Index. Some strategies may employ short sales, margin and certain hedging techniques.

Risk: The principal value of fixed income instruments may fluctuate due to interest rate changes and other factors. Equity securities, historically, have shown greater growth potential than other types of securities, but they have also shown greater volatility. Certain strategies may use short sales and margin. International and global portfolios involve considerations and potential risks not typically associated with domestic securities, including risks associated with changes in currency values, economic, political and social conditions, loss of market liquidity, the regulatory environment of the countries in which the manager invests, and difficulties in receiving current or accurate information.

Portfolio Composition: These strategies may employ either an equity investment strategy or an aggressive balanced strategy. Examples of equity strategies that might be applied would be a value-oriented approach, a "traditional" growth approach, or a blended combination of value and growth equity strategies. An example of an aggressive balanced strategy is one in which the FA Investment Strategy selects aggressive growth equities and "balances" them with fixed income securities and cash equivalents, or combines a modest allocation to fixed income with an equity allocation that includes large cap value and growth strategies, as well as moderate allocations to smaller capitalization equities. Another strategy

may be to invest in non-U.S. securities. Fixed income securities rated below investment grade may represent a substantial proportion of the fixed income component of portfolios.

Investor Suitability: FA Investment Strategies in Category IV may be an appropriate choice for investors seeking long-term growth and modest income. Investors who select a strategy in this Category should be willing to accept a higher degree of volatility in their returns similar to the volatility of the general stock market (as measured by the S&P 500 Index).

CATEGORY V

Investment Objective: FA Investment Strategies in Category V seek long-term capital appreciation through aggressive equity investing.

Risk: Equity securities, historically, have shown greater growth potential than other types of securities, but they have also shown greater volatility. Small cap portfolios may be highly volatile because the earnings and business prospects typically fluctuate more than larger cap companies. International and global portfolios involve considerations and potential risks not typically associated with domestic securities, including risks associated with changes in currency values, economic, political and social conditions, loss of market liquidity, the regulatory environment of the countries in which the manager invests, and difficulties in receiving current or accurate information.

Portfolio Composition: FA Investment Strategies representing a variety of investment styles may be found in this Category. For example, one strategy may be to take relatively large positions in either individual securities or sectors which they believe have exceptional growth potential. Another investment strategy may be to invest in small or mid-cap equities. Another strategy may be to invest in non-U.S. equities. Finally, an FA may combine a number of equity investment strategies into a single account, including allocations to large cap value and growth, smaller capitalization securities and non-U.S. equities. Generally, these portfolios tend to be fully invested in equities.

Investor Suitability: FA Investment Strategies in Category V may be an appropriate choice for investors who are willing to accept the potential for greater volatility of investment returns than that of the general stock market (as measured by the S&P 500 Index) in order to achieve above-average market returns over the long term. These strategies may also be appropriate for an investor who wants to improve their overall investment return by diversifying a portion of their total investment portfolio with a relatively more aggressive strategy.

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Portfolio Management Program Account Application

Account Type: Advisory

Please read the important disclosures entitled "Conducting Business with UBS:Investment Advisory and Broker Dealer Services" in the Form ADV Disclosure Brochure for a summary of the main distinctions between investment advisory and brokerage services and our respective duties and obligations.

A. Client Information

Account Title: City of Clayton

Account Type: BSA

B. Financial Advisor

James Dill

908-470-6222

Financial Advisor Name

Financial Advisor Telephone

EYG5

FA ID

C. Account Profile

Please make sure that the information is accurate and complete and reflects your investment goals and risk tolerance for this PMP account only. If any of the information is inaccurate or becomes outdated because of changes in your circumstances, please contact your Financial Advisor.

Risk Tolerance: Low Risk/ Conservative

Investment Objectives: Current Income

Investment Time Horizon: 3 - 6 years (an average market cycle)

Risk/Return Objectives: Lower Fluctuations, Maintain Capital

Short-Term Liquidity Needs: No

Portion of total Investable Assets: 20-40%

Based on your responses to the Account Profile questionnaire, your Account Investment Profile is Conservative.

D. Investment Election

Initial Investment Amount: \$ 12,134,562.70

Manager Name: James Dill

Investment Style: Fixed Income

Benchmark: BBG US TSY 1-3Y 100.0%

Strategy Risk Category: I

Manager Code: EOA2

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E. Investment Preferences & Services

Proxy Voting and Related Materials

I/we designate my SMA Manager or, for Discretionary Programs where assets are custodied at UBS, Institutional Shareholder Services to receive and vote proxy related materials for securities held in my Account. Institutional Shareholder Services will not act as proxy voting agent for assets in Discretionary Programs not custodied at UBS (DVP accounts); proxy materials are sent to the clients and clients are responsible for voting proxies for these assets.

I/We understand that this election will apply to this Account and for all applicable Advisory Accounts I/we establish in the future unless I/we provide different instructions.

I/We understand that I/we may change this election at any time by notifying UBS Financial Services Inc. in writing.

E-Delivery of Shareholder Communications

I/We have elected to receive Shareholder Communications and all Advisory Account documents (including Form ADV Disclosure Brochures, Manager Profiles, Asset Allocations, performance reports, and other disclosures, reports and notices related to my advisory accounts) through electronic delivery. I/We authorize UBS Financial Services to enroll me/us in this service. I/We understand that this election applies to this Account and all applicable Advisory Accounts I/we establish in the future unless I/we provide different instructions.

I/we understand that the e-mail address UBS Financial Services Inc. has on file for me/us is paryal@claytonca.gov . I/we will inform my/our Financial Advisor if it is incorrect or if it changes in the future.

I/we understand I/we may change my/our electronic delivery instructions at any time and elect to receive these materials in paper format by contacting my/our Financial Advisor or by logging onto www.ubs.com/edelivery

F. Annual Fee Schedule

0.20% Annual Fee Rate.

At UBS, clients may choose how they pay for their advisory services. You may negotiate a flat fee or a break-point fee schedule for your account.

With a flat-fee option, the agreed-upon annual fee is a fixed percentage of the assets in the Account; it does not change as the value of your account changes. With break-points, the negotiated fee, also a percentage of the assets, varies based on asset levels and changes as you increase or decrease assets in your account. Specific "break-points" for each asset level are defined in the Application. Clients may request to have two or more eligible advisory accounts be treated as related accounts to qualify for certain break-point discounts. Please discuss with your Financial Advisor.

If you negotiated a discount to the Program's break-point fee schedule, that discount applies only to the specific break-point asset level indicated in the Application. Please refer to the UBS Advisory Relationship Agreement and the Form ADV Disclosure Brochure for additional fee information.

Fee Collection Method

I/We elect to have fees directly debited from my/our account.

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G. Trade Confirmations

I/We elect to have trade confirmations delivered to me/us on a monthly basis. I/We understand that this election applies to all applicable Advisory Accounts I/we establish now or in the future. For information and availability of this service at the program level, please refer to Section O. Trade Confirmations; Statements and Performance Reporting of the Advisory Relationship Agreement. I/We understand that I/we may provide different instructions for separate Accounts and that I/we may also revoke this instruction at any time by notifying UBS Financial Services Inc. in writing.

H. Client Acknowledgements and Signatures

BY SIGNING BELOW, I ACKNOWLEDGE AND AGREE TO THE FOLLOWING:

1. I have full power and authority to enter into this UBS Advisory Relationship Agreement ("Agreement") and to authorize and effect all instructions, transactions and investments for the Advisory Account(s) under this Agreement. If signing this Application and Agreement as a guardian, executor, trustee or on behalf of an entity, I represent that I have the authority to execute and enter into this Agreement and to act on behalf of the client in connection with all matters relating to the Advisory Relationship Agreement. 2. I am establishing an advisory account with UBS Financial Services Inc. I have received and agree to be bound by this Account Application and the attached UBS Advisory Relationship Agreement. I understand that the UBS Advisory Relationship Agreement will provide me with the ability to open new Advisory Accounts in the future with verbal consent. As a result, the Agreement includes information that may not be relevant to this account but may be applicable to accounts I establish in other advisory programs in the future. 3. I understand that UBS Financial Services Inc. does not provide legal or tax advice. 4. I have supplied all of the information contained in this Account Application and declare it is true and accurate and agree to notify UBS Financial Services Inc. of any material changes, particularly those affecting my financial situation, investment objectives or investment profile. 5. After reviewing all applicable materials, I agree to the Account Profile questionnaire and the Account Profile reflected in Section C and make the Investment Elections in Section D. 6. I agree and consent to all Investment Preferences and Services outlined in the preceding Section E of this Application. I understand that they will be applied (where such preferences are offered) in the future to all new and applicable Advisory Accounts unless I provide different instructions. I understand that I may change my preferences and services at any time by notifying my Financial Advisor in writing. 7. I understand that UBS Financial Services Inc. will send me the Form ADV Disclosure Brochure when it accepts this Agreement. I understand that I may terminate the Agreement within five (5) business days from the day my Account is accepted and receive a full refund of program fees. Each time I establish a new Advisory Account, I may terminate that account and receive a full refund of program fees within five (5) business days from the day UBS Financial Services Inc. sends me confirmation of my new account. I may change my Advisory program or terminate my Advisory relationship at any time. 8. THE ADVISORY RELATIONSHIP AGREEMENT AND ALL ACCOUNTS I ESTABLISH UNDER ITS TERMS ARE SUBJECT TO THE PRE-DISPUTE ARBITRATION AGREEMENT IN THE CLIENT RELATIONSHIP AGREEMENT (OR OTHER BROKERAGE ACCOUNT AGREEMENT) I SIGNED WITH UBS FINANCIAL SERVICES INC. BY SIGNING THIS APPLICATION AND AGREEMENT I CONFIRM MY UNDERSTANDING AND AGREE TO ARBITRATE ALL DISPUTES THAT MAY ARISE WITH UBS FINANCIAL SERVICES INC. IN CONNECTION WITH MY INVESTMENT ADVISORY ACCOUNTS IN ACCORDANCE WITH THE TERMS OF THE CLIENT RELATIONSHIP AGREEMENT. 9. Fees and Proprietary Products: I agree to the fee for the Advisory Account(s) as listed in this Application. If I select strategies, funds, products managed by UBS Financial Services Inc. or its affiliates,

I understand and acknowledge that such selections may result in increased compensation to UBS Financial Services Inc. and/or its affiliate(s). 10. Important Information about Program Fees, Program Selection and Conflicts of Interest: (a) Account and Investments Selection (Brokerage vs. Advisory): Advisory fees, or other account charges incurred when implementing an investment strategy will vary based on the Program and account type(s) (brokerage or advisory) I select. The portion of these fees and charges which will be paid to my Financial Advisor also varies based on the products, and account type(s) I select and create financial incentives for my Financial Advisor to recommend arrangements for which they receive higher compensation. The initial, ongoing and total overall costs of purchasing and holding investments in an advisory or brokerage account vary, in some cases significantly, and may be higher, depending on the length of time in which I own the security especially if I hold them in a fee based account instead of a brokerage account. (b) Portfolio Management Program & Advisor Allocation Program: Financial Advisors who participate in the PMP and AAP Programs may also provide services to me and to other clients outside of these Programs in their capacity as broker-dealer representatives and as such, may dedicate time to activities other than discretionary portfolio management. Financial Advisors who participate in the PMP and AAP Programs have an incentive to recommend their services in PMP and AAP over those of third party SMA Managers in other Advisory Programs or over traditional commission based brokerage services. (c) SMA Manager Fees in the ACCESS, MAC, SWP and AAP Programs. The ACCESS, MAC, SWP and AAP programs offer some of the same SMA Managers for different SMA Manager fees. The SMA Manager Fee is a function of that SMA Manager's investment style and the fee negotiated with the SMA Manager either by UBS (in ACCESS, SWP and AAP) and by the client in the MAC Program. Based on the combination of the UBS Investment Advisory fees and the SMA Manager's fees, the overall fee for SMA account(s) in MAC may exceed 3% of the account value. I understand that certain strategies may be available to you on a more cost-efficient basis in other UBS programs. 11. I have reviewed, understand, and agree to the representations and acknowledgements in section z. Retirement Account Representations, of the Advisory Relationship Agreement. 12. If I have elected to receive trade confirmations on a monthly basis, then by signing below I confirm: (a) that I have waived immediate receipt of trade confirmations; (b) that I have authorized monthly delivery of trade confirmations for my account; (c) that I am not required to select this option in order to participate or continue to participate in the Programs; (d) that I will not pay any additional fee for this monthly delivery option; (e) that I may revoke my election at any time by informing UBS Financial Services Inc. in writing; and (f) that, for programs that offer this option, these elections will apply to all future applicable Advisory accounts I establish with UBS Financial Services Inc. unless I provide different instructions for separate accounts.



Client Signature Title Date

All principals of the account must sign. All fiduciaries signing this agreement must indicate their title/capacity.

Client Signature Title Date

IMPORTANT NOTE REGARDING THE EFFECTIVE DATE OF THIS ADVISORY AGREEMENT: This advisory agreement also requires review and acceptance by your Financial Advisor and his/her Branch Office Manager. Once fully executed, it will become effective only once it is accepted by the Investment Solutions department. Until such time, your account remains a brokerage account and it is governed by the terms and conditions of your brokerage account agreement. Additional Parties, Principal Officers or Trustees

For Branch Use Only

Prospect Account Conversion - Retail Account Number Legal Change of Ownership - Previous Account Number

Manager Code: E0A2

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Advisory Relationship Agreement

UBS FINANCIAL SERVICES INC. ADVISORY RELATIONSHIP AGREEMENT

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Establishing Investment Advisory Accounts with UBS

At UBS we understand that we succeed only if our clients succeed. With that in mind, we provide a customized approach to wealth management, built on your personal relationship with your Financial Advisor and shaped by an understanding of your needs and aspirations.

This Investment Advisory Relationship Agreement ("Agreement") applies to accounts in any of the Advisory programs described herein, as well as other advisory programs that we may offer in the future (Programs) under this Agreement. This Agreement outlines the terms and conditions of your Investment Advisory relationship with us with respect to accounts enrolled in the Programs. We consider deposits of cash or securities and your continued use of your Advisory Accounts and services at UBS as your Agreement to the terms and conditions in this Agreement and the related documents and disclosures we refer to here.

This Agreement is not effective and UBS will not serve as your fiduciary under the Investment Advisers Act on any account until UBS accepts your Advisory Relationship Application and you enroll in an investment advisory program. We will confirm your enrollment in an Advisory Account in writing. Until you enroll in an Advisory Account, your account is considered a brokerage account only, and it is governed solely by the terms and conditions of your brokerage account agreement. We are not a fiduciary to you under the Investment Advisers Act with respect to your brokerage accounts.

Brochure: We will send you the Form ADV Disclosure, which provides details of the Advisory programs. Please retain all these documents for future reference. You may terminate this Agreement within five (5) business days from the day we accept your signed Agreement and receive a full refund of Program fees.

We currently offer the following types of Advisory services:

- **Discretionary Programs:** Portfolio Management Program ("PMP"), Advisor Allocation Program ("AAP) and UBS Advice Portfolio Program
- **Separately Managed Accounts:** ACCESS and Managed Accounts Consulting ("MAC")
- **Unified Accounts:** Strategic Wealth Portfolio ("SWP")
- **Non-Discretionary Advisory Programs:** PACE and UBS Strategic Advisor Program ("Strategic Advisor")
- **Portfolio Based Advisory Program:** UBS Consolidated Advisory Program ("UBS-CAP ")
- **UBS Consolidated Advisory Program ("CAP Select")_**

The term "Advisory Account(s)" as used in this Agreement refers to accounts established in the Programs described above.

Please note: This Advisory Relationship Agreement and the Form ADV Disclosure Brochure **apply to all of your Advisory Accounts**
Rev. 04/22

at UBS, including any Advisory Accounts you may open in the future and those accounts established on your behalf by your Financial Advisor under the terms and conditions of UBS-CAP. We will not provide another copy of the Advisory Relationship Agreement unless there are material updates and amendments to your Account Agreements. Likewise, we will not provide another copy of the Form ADV Disclosure Brochure when you establish new Advisory Accounts unless there are material changes to the Form ADV we originally provided to you. Annually, we will provide you with a copy of our updated Form ADV Disclosure Brochure or a summary of material changes from the Form ADV we originally provided to you. Because this Agreement and the Form ADV Brochure apply to all the different types of Advisory Accounts you can establish with us, some of the information in those documents and the other disclosures we send you may not apply to you now, but may apply in the future as you or, for UBS-CAP, your Financial Advisor establish other accounts with us.

Please retain all these documents for future reference as they contain important information if you decide to add services or open new Advisory Accounts with UBS.

Our Obligations, Your UBS Advisory Relationship Agreement and Your Account/Program Selection

Understanding the different ways in which we conduct business is essential to the relationship you have with UBS. It is important to understand that investment advisory and brokerage services are separate and distinct and each is governed by different laws and separate arrangements with you. While there are certain similarities among the brokerage and Advisory services we provide, depending on the capacity in which we act, our contractual relationship and legal duties to you are subject to a number of important differences. Please read the Agreements and disclosures carefully, as they explain our role as well as the specific features, services and risks that are associated with the products or services you may be considering.

We strive to describe our services clearly in our published materials. If, however, you have questions or require clarification on the nature of your accounts or the services we are providing, please speak with your Financial Advisor. You may also review **"Conducting Business With UBS: Investment Advisory and Broker Dealer Services** in the Form ADV Brochure or visit the website at www.ubs.com/relationshipssummary for our relationship summary for individual wealth management clients.

This Agreement is divided into two main sections:

- I. General Terms and Conditions Applicable to All of the Advisory Programs.**
- II. Program Specific Schedules: This section describes features that apply only to certain programs.**
 - A. Consolidated Advisory Program and UBS Consolidated Advisory Program Select.**
 - B. Discretionary Programs: UBS Advice Portfolio Program, Portfolio Management Program, Advisor Allocation Program.**
 - C. Unified Accounts: UBS Strategic Wealth Portfolio Program**
 - D. Non-Discretionary Advisory Programs: Strategic Advisor**
 - E. Non-Discretionary Advisory Programs: PACE**

I. General Terms and Conditions Applicable to All Advisory Programs

A. Introduction

The terms and conditions in this UBS Advisory Relationship Agreement apply to all Advisory Accounts you open with UBS and those accounts established on your behalf by your Financial Advisor under the terms and conditions of UBS-CAP.

By signing the Application and Agreement and depositing cash or securities in your Advisory Account, you agree that these terms and conditions govern any new Advisory Accounts, features or services. If you do not agree to the terms and conditions, you may cancel a feature or service or close your Account.

Some of the Programs permit you to delegate proxy voting authority to your Separately Managed Account (SMA) Manager or a third party and/or suppress your receipt of daily trade confirmations.

We ask you to provide these instructions when you execute this Advisory Relationship Agreement. We will apply your preferences (where those features are available only) to all Advisory Accounts established under this Agreement, unless you provide different instructions for specific accounts.

As a UBS client, you may decide to open new Advisory Accounts or take advantage of new services and account features in the future without signing additional documents or Agreements. When that happens, we will confirm your instructions in writing and provide any relevant Agreements and disclosures you have not already received. For certain accounts and services, you may be required to sign additional documents and Agreements. All of the confirmations, agreements and disclosures we send you are considered part of this Agreement.

References in this Agreement to:

- **"Account"**, "account", "Investment Advisory Account" or "Advisory Account" means the account(s) you have established in the relevant programs including those established on your behalf by your Financial Advisor and covered under the terms and conditions of the UBS Consolidated Advisory Program ("UBS-CAP") and the CAP Select Program.
- **"Advisory Programs"** or **"Programs"** as used in this Agreement means our ACCESS, Portfolio Management Program, Managed Accounts Consulting, UBS Strategic Advisor, UBS Strategic Wealth Portfolio, UBS Advisor Allocation Program, UBS Advice Portfolio Program, PACE programs and UBS-CAP and CAP Select.
- **"Agreement"** means the Advisory Relationship Agreement.

- **"Asset Allocation"** and **"Portfolio Review"** are used interchangeably in this document and refer to the asset allocation/investment strategy you have selected for your program account.
- **"UBS-CAP Portfolio"** means the eligible Advisory Accounts you enroll in UBS-CAP and, in limited circumstances, accounts you hold at other financial institutions that you elect to include in UBS-CAP.
- **"CAP Select Portfolio"** means the 100% diversified alternative investments portfolio you hold in the CAP Select Program.
- **"Model Provider"** means SMA managers who provide their investment strategy models to UBS for implementation or an Overlay Manager hired by UBS to implement such models.
- **"Overlay Manager"** means the investment adviser(s) hired by UBS to implement the models provided by Model Providers.
- **"Plan"** means: an individual retirement account (IRA), a retirement plan for self-employed individuals, or an employee benefit plan subject to the Employee Retirement Income Security Act (ERISA) of 1974, as amended.
- **"Portfolio Based Advisory Program"** means the UBS Consolidated Advisory Program or UBS-CAP, an advisory program in which our services are provided to you for certain eligible UBS Advisory Accounts (and, in limited circumstances, accounts you hold at other financial institutions that you elect to include in UBS CAP) on a portfolio level instead of individually at the Account level.
- **"Program Assets"** means the assets you invest through our Advisory programs.
- **"Program Fee"** means, collectively, the UBS Investment Advisory Fee and if applicable, given your Program selection, the SMA Manager Fee.
- **"Questionnaire"** or **"Risk Profile Questionnaire"** means the Account Risk Profile Questionnaire you complete to determine your investment needs, objectives and risk tolerances for the assets being invested in *each* Advisory Account. For UBS-CAP, your Questionnaire will define the risk tolerances and objectives that you have for *all* your eligible assets and accounts included in the *UBS-CAP Portfolio* as a whole.
- **"Retirement Accounts"** include all types of Individual Retirement Accounts including SEPs, SIMPLEs, Coverdell Education Savings Accounts, and "Plans".
- **"SMA Manager"** means your ACCESS, MAC, SWP or AAP separately managed account investment manager, Overlay Manager or Model Provider, as applicable.

- **"SMA Manager Fee"** means the separately managed account investment management fee payable to your ACCESS, MAC, SWP, AAP investment manager or, as applicable, Model Provider (if any in our Programs).
- **"Share Class Conversion"** refers to the conversion of mutual fund, offshore fund and/or alternative investment brokerage share classes to advisory/institutional share classes which are eligible and billable in certain Programs.
- **"Single Share Class(es)"** refers to the single share class of mutual funds with no front-end loads, back-end loads or 12b-1s offered for purchase in our brokerage platform effective January 2020 subject to a per-transaction commission.
- **"UBS"** unless otherwise noted, means UBS Financial Services Inc.
- **"UBS Investment Advisory Fee"** means the portion of the Program Fee payable to UBS for its investment advisory services.
- **"UBS Portfolio Manager"** means the UBS Asset Management investment professionals who manage assets on a discretionary basis in the UBS Advice Portfolio Program or your Portfolio Management Program Financial Advisor.

B. Our Investment Advisory Programs

We offer a variety of advisory services to address different investment needs, including Discretionary Programs, Non-Discretionary Programs, Unified Accounts, Separately Managed Accounts and Portfolio Based Advisory Programs. There are important differences among these Programs in terms of services, fees and how they are structured and administered.

In the future, we envision most of the advisory Programs evolving to a "Unified Advisory Solution" (UAS). UAS will consolidate certain distinct Advisory programs described in this Agreement and make these advisory options available in a single client account. If at that time, you have more than one Advisory account with us, we may combine these accounts into the one Unified Advisory Solution account. This means that you may have an account where parts of your relationship are managed by SMA Managers, your PMP Portfolio Manager, a UBS investment management team, as well as assets directed by you depending on the options you have selected. We will provide prior written notice to you regarding these changes and how they would affect your accounts, fees and the services we provide to you.

Generally, these Programs are designed for clients who (i) want to implement a medium-to long-term investment plan; (ii) seek and use the advice and guidance of an investment professional either in their self-directed accounts or by delegating management of their assets to a portfolio manager or SMA Manager; (iii) prefer the consistency of fee-based pricing; and (iv)

are looking for investment advice, **4d Attachment 1** execution services, and performance reporting in an all-inclusive account instead of accessing those services separately and (iv) for CAP Select clients who are looking for a diversified asset allocation of alternative investment vehicles.

These Programs may not be appropriate for clients who: (i) seek a short-term investment; (ii) want to maintain consistently high levels of cash, money market funds, or invest primarily in load-waived or no-load mutual funds; (iii) want to maintain highly concentrated positions that will not be sold regardless of market conditions; or (iv) anticipate continuous withdrawals from the Account.

If you would like additional information about the Programs or have questions about your accounts, please ask your Financial Advisor or refer to the Form ADV Disclosure Brochure.

C. Account Opening Documentation; Account Risk Profile Questionnaire; Update of Personal Information

When you establish an Advisory Account with us, we will ask you to sign a brokerage account agreement (if you have not done so already) in addition to this Agreement, so that your Advisory Account will have access to the firm's trading capability and custody services. The brokerage agreement supplements this Agreement, and together, the agreements and the related documents we provide to you govern your relationship with us. Accounts established under this Agreement are designated as "Advisory" and our obligations to you as they pertain to that Account will be that of an investment adviser as described in the Form ADV Disclosure Brochure under the section **"Conducting Business With UBS: Important distinctions between brokerage and advisory services"**

To establish an Advisory Account you must complete a Risk Profile Questionnaire to determine your investment needs, objectives and risk tolerances for the assets being invested in *each* Account. For UBS-CAP, your Questionnaire will define the risk tolerances and objectives that you have for *all* your eligible assets and accounts included in UBS-CAP Portfolio as a whole. However, a Questionnaire needs to be completed for each account, based on the holdings of that account, in your UBS-CAP relationship. The Questionnaire forms the basis of your selection of an investment strategy or asset allocations for your account.

The objectives and preferences you designate for each Account or for your UBS-CAP Portfolio guide the investments of your assets in the respective Program(s). The MAC Program Application does not include a separate Advisory Risk Profile Questionnaire. The MAC Program relies on your responses to the Risk Tolerance Questionnaire you completed when you established your brokerage account.

To confirm your instructions and ensure that our records are complete and correct **for each Advisory Account you establish including those established on your behalf, or whenever your**

investment objectives or risk tolerance is updated for an existing Account, we will send you a record of the personal information and/or responses to the Questionnaire you provided to us. We rely on this information to provide Advisory services so we require you to review the information and notify us promptly if there are any discrepancies or if your objectives, risk tolerance or financial condition have changed. You agree to review this information and provide us with updates as necessary or in the case of any material change in your circumstances which may affect how your Program Assets should be invested.

Likewise, we rely on you to provide us with your current address and email address if it changes. If we are unable to contact you by mail, or, for the UBS Advice Program Portfolio, by email, we will be required to close your Advisory Accounts. If your Advisory Accounts are closed, your assets will be held in a non -Advisory brokerage account and remain in the same securities as they were in your Advisory Account, if possible. Please note that certain securities may be held only in Advisory programs and are automatically liquidated when the Advisory account is terminated. See the section "Closing Your Advisory Accounts; Terminating this Agreement" for more information. Once your Advisory Account is terminated, your assets will no longer be subject the services, advice and management offered in the Advisory Programs.

In addition, changes you make to Advisory program accounts, such as target asset allocations or investment selections (for example, replacement of SMA Managers and strategies in your ACCESS or SWP Accounts), can be implemented without requiring additional documents from you, and we will confirm these changes to you in writing.

Foreign entity clients: Please note that as a foreign entity, your participation in a Discretionary, Separately Managed Account or Unified Account Program will likely prevent you from having a FATCA classification of Passive Non-Financial Foreign Entity. This could result in your entity having more burdensome documentation and reporting requirements. Please consult your tax advisor with regard to the possible tax consequences associated with your FATCA status.

D. Investment Authority

You understand that you are the beneficial owner of all securities in your Account and, other than as specifically delegated in this Agreement, you retain all rights related to such ownership.

By signing the Application and Agreement, you authorize UBS to act on your behalf for your Advisory Accounts in accordance with the terms of the Advisory Program(s) you select.

You retain all trading authority for Accounts in Non- Discretionary Programs and SWP Non-Discretionary Assets, which means we will effect transactions only at your instruction. UBS, your Financial Advisor and the SWP SMA Manager will not have any discretion with respect to the investment of those Program assets.

Based on the authority you are giving us, and where applicable given your Program selection, we will engage the SMA Managers you select to have discretion over the assets and to manage your Accounts. You also authorize UBS to take any and all actions necessary to open and maintain your Accounts in the Programs and to effect, complete and pay for transactions for your Accounts.

If you select one of the Discretionary Programs, your signature gives UBS investment discretion over the management of the assets in those Program Accounts. For the Discretionary Programs and UBS-CAP with POA for Limited FA Discretion Services, your signature also authorizes us to delegate investment management and/or security selection for your Accounts to sub-advisors. With that authority, we may delegate the selection of all or a portion of the securities for your Account to a sub-advisor/model provider or overlay manager, including those affiliated with UBS, for inclusion in the portfolio. This authority specifically includes the authority to hire and fire SMA Managers for your account, who will, depending on the strategy selected, charge additional fees for the services they provide, including premium fees for services such as personalized tax management and sustainable investing. You will be responsible for the payment of any SMA Manager Fees and Premium Services Fees (see section I.U. Program Fees for details).

Depending on which Program you choose, your SMA Manager, you, your UBS Financial Advisor or your UBS Portfolio Manager as indicated on the Program application, proposal or Program confirmation, will have primary responsibility for the day-to-day management of your Account and has full discretionary authority over all investments, including the timing of the investment of your assets. For PMP and AAP accounts opened after you have established your first Advisory Account, we will confirm in writing your UBS Portfolio Manager for discretionary Financial Advisor. For Accounts managed by UBS employees and those with Limited FA Discretion Services in UBS-CAP, we reserve the right to transfer management responsibility to another Program- approved Portfolio Manager or Financial Advisor at any time without first notifying you or obtaining your consent.

We will execute transactions in your SMA Program accounts and the SMA sub-accounts in SWP and AAP based on the instructions we receive from your SMA Manager. In addition, in these accounts/sub-accounts, with the exception of UBS and UBS-affiliated strategies, neither UBS Financial Services nor your Financial Advisor will have discretionary authority, with respect to, nor will we solicit your SMA Managers regarding the purchase or sale of securities for your accounts/sub-accounts.

We are not responsible for:

- Your choice of SMA Manager
- Their day-to-day investment decisions (including their selection of tax lots for sale or redemption)
- Their performance
- The SMA Manager's compliance with applicable laws, rules or regulations

- The SMA Manager's compliance with best execution obligations
- Other matters within the SMA Manager's control, including implementation of your rebalancing election where the manager has assumed the responsibility to manage your account

We reserve the right to refuse to execute any transaction in our program accounts if we reasonably believe that it would violate any applicable law or rule --including the rules of any regulatory agency or self-regulatory organization. We may also refuse to execute any transaction that would be inconsistent with any of our policies and procedures.

For Discretionary and Separately Managed Accounts Programs, UBS-CAP with Limited FA Discretion Services and the SMA Manager sub-accounts of SWP and AAP, your signature authorizes, as applicable, UBS, as sponsor of the Program, SMA Manager and/or Overlay Manager of your Account (depending on the circumstances) and your SMA Managers to buy, sell or otherwise trade securities or other investments (including, in certain cases, UBS securities) for your Accounts or sub-accounts in those programs including the selection of tax lots for redemption or liquidation in your Accounts, without discussing these transactions with you in advance. These securities may include stocks, bonds, options and other securities. Since your SMA Manager(s) is responsible for the day-to-day management of your SMA Accounts/sub-accounts, we will execute transactions for your SMA Accounts/sub-accounts upon instructions from your SMA Manager(s) on an unsolicited basis.

E. Asset Allocation Services in our Non-Discretionary, Unified Managed Account, Portfolio Advisory Programs, Advisor Allocation Program and CAP Select Program

We will provide you with an asset allocation proposal for accounts you want to open in our Non-Discretionary Programs, SWP and UBS-CAP and CAP Select. The proposal contains UBS's advice based on the information you provide to us and discussions with you regarding an appropriate allocation (Target Allocation) of your Program Assets. The Target Allocation represents a long-term investment strategy that seeks to balance your investment objectives with your risk tolerance. It is your responsibility to determine whether and how to implement the target asset allocation/investment strategy and to ensure that your asset allocation continues to be consistent with your goals and risk tolerance over time. The asset allocation for UBS-CAP encompasses all Accounts in your UBS- CAP Portfolio, while for other Programs, your asset allocation reflects only your assets invested in your Program Account.

You may accept the Target Allocation for the Program Assets in your Account or your UBS-CAP or CAP Select Portfolio, or you may customize it based on your preferences to include different asset categories or to allocate a different amount of your Program Assets to one or more asset classes. You may consult with your Financial

Advisor about these choices. The allocation of your Target Allocation is the basis for the initial and ongoing investment of your Program Assets. However, you may decide to implement your Target Allocation over a period of time, or change it from time to time as long as it is within your stated risk tolerance.

In the Advisor Allocation Program, your Financial Advisor establishes a Target Allocation based on your answers to the Risk Profile Questionnaire for the account and selects from mutual funds, ETFs and researched SMA strategies to fill the allocation. The initial Target Allocation for the account will be set forth in a written proposal and we will notify you when your Financial Advisor makes changes the Target Allocation and investments.

Automatic Rebalancing and Your Asset Allocations: The rebalancing feature in the PACE and SWP Programs will assist you in maintaining your account in line with your target asset allocation. However, deviations from your Target Allocation or risk tolerance will occur due to, among other things, fluctuations in the market value of securities in the account before rebalancing, any investment restrictions you impose on management of the account and any tax selling agreement or for accounts that do not meet the rebalancing thresholds. In PACE we will notify you if your allocation shifts and is no longer within the standard deviation range for your stated risk profile. In the AAP Program, your Financial Advisor will establish automatic rebalancing thresholds and time periods, and also can rebalance or reallocate the account at any time in their discretion. In addition, accounts will be automatically rebalanced to the Target Allocation if not aligned with the account's risk tolerance, or if other program guidelines are breached for a specified period (see Schedule B.3 for details). For Non-Discretionary Programs, you are responsible for addressing those inconsistencies between your asset allocation and your risk tolerance. Once you select your Target Allocation, we will implement the Asset Allocation without taking into consideration your potential tax consequences. You are responsible for any tax liabilities which result from transactions in your Account (including any redemptions or upon the termination of participation in the Program). Your Program Fees will be assessed regardless of whether or not you follow our recommended allocation.

Changes to the Target Allocation may result in tax consequences to you. We encourage you to seek the advice of a qualified tax professional. Our asset allocations are based upon a proprietary methodology that uses capital market assumptions, which are also based on UBS proprietary research. The capital market assumptions may change from time to time at our discretion. These assumptions are not guarantees of any level of return or performance and do not represent the return of a particular security or investment. UBS has changed its risk and return assumptions in the past and may do so in the future., We will not provide you with an updated investment proposal automatically based upon changes to these or other underlying assumptions, but you may request an updated proposal from your Financial Advisor. Changes in the assumptions may affect your Target Allocation on the broad, subclass or style level. We may also add or remove asset classes, subclasses and styles from the allocation methodology at any time. We will send you a written notice in the event that changes in our capital market assumptions result in a change to your Target Allocation.

The capital market assumptions are not guaranteed and do not represent the risk or return of a particular security or investment. The actual performance of any particular security, investment or strategy can differ, perhaps significantly, from these CMAs. In addition, UBS employs a variety of asset allocation models and tools and, as a result, our modeling outside of the Advisory Programs may vary depending upon the asset allocation model, amount invested, and software program used for analysis.

F. SMA Manager Selection in our SMA, Unified Account Programs and Advisor Allocation Program

In our SMA and Unified Account Programs, our role is to identify managers and strategies that have been researched and determined to be appropriate for your investment needs. We will present to you those managers who, in our professional judgment, are appropriate to help you pursue your financial goals. We do not represent that the managers presented will be the best available manager either in the industry or offered through UBS. We will not remove or replace your SMA Manager without your consent except in AAP and pursuant to authority you grant to make hire and termination decisions under UBS-CAP and as otherwise provided below. If we decide, in our sole discretion, that circumstances make a change necessary or appropriate, you authorize UBS to delegate management discretion of your account to a model service provider or overlay manager and/or to remove or replace your SMA Manager, for all or a part of your ACCESS or SWP Account, and to hold the existing assets in your Account until we receive instructions from you. We will notify you in advance of any change in your SMA Manager unless the change is in your AAP account or you have granted discretion to us to hire, fire and change such managers under the terms of UBS-CAP. Your continued acceptance of services under this Agreement will constitute your approval and agreement of any replacement SMA Manager, overlay manager or model service provider. We do not restrict your ability to retain the Investment Manager(s) outside of the Programs.

Once we accept your Account in ACCESS, SWP, and AAP we provide the SMA Manager with your responses to the Risk Profile Questionnaire and restrictions before the SMA Manager accepts your account. The SMA Managers have discretion to accept or reject any Account.

While we seek to apply the same review criteria to all researched managers available in our SMA Programs, Unified Managed Accounts Programs, and AAP, certain UBS affiliated strategies and UBS discretionary Investment Portfolios may not have been screened or approved as researched strategies at the time they were included in the Programs or, if screened, may not have met the required criteria.

For example, for certain strategies, while the firm itself would satisfy the general research screens, a strategy on its own may fail to meet

several research screens, including: the Investment Manager, length of a performance track record with client assets, compliance with GIPS standards, and minimum number of accounts which are normally imposed on third party managers.

MAC Program/MAC Eligible Strategies: The level of research or review we undertake for SMA strategies in the MAC Program varies depending on whether a Manager or Strategy is considered MAC Researched or MAC Eligible. The due diligence and reviews conducted by our Investment Manager Analysis Group can range from a very limited general review for MAC Eligible strategies to an in-depth review of investment strategies, performance data and management for Researched strategies. For MAC Eligible strategies, our review is limited in scope and does not provide enough information for us to express an opinion on or about the investment capabilities of those firms or strategies. **If you select MAC Eligible Strategies, you represent and acknowledge that you have selected those Strategies without our recommendation and that you understand the limitations of our review described in this paragraph.**

Hiring Your MAC SMA Manager: You confirm your understanding that, in the MAC Program, you must enter into a separate Agreement with your MAC SMA Manager and you are responsible for negotiating the agreement, including fees, directly with the manager. Unless you have delegated such responsibility to us in UBS-CAP, we will not hire your SMA Manager in the MAC Program nor will we negotiate fees or execute agreements on your behalf, however, even in those circumstances our negotiations on your behalf are limited to fees (as long as there is an LPOA) and not to any other contractual matters. If your MAC SMA Manager strategy is also available in other Programs, you should consider that, based on the combination of our fees and your SMA Manager's fees, the overall fee for your MAC account may be higher than the total fee you would pay in other Programs. Therefore, it is important that you understand that the services we offer through MAC may be available to you on a more cost-efficient basis in other UBS programs.

Concentrated Equity Solutions

In 2022, we expect to make Concentrated Equity Solutions ("CES") available through the Managed Accounts Consulting ("MAC") Program. CES are separately managed account ("SMA") strategies that seek to address the risk (specific to an individual equity security, rather than general market risk inherent in equity securities) associated with a concentrated individual equity holding. Generally, these strategies implement the strategy objectives using options trades on a client's existing concentrated equity position. Options are complex instruments and you should ensure you understand their features and risks, as well as how they will be utilized by the strategy manager, before investing in a CES strategy. These strategies have various investment objectives typically seeking to generate incremental income, help exit a stock holding, or provide a degree of downside protection should the stock go down in value. The pursuit of these objectives will limit (to varying degrees depending on the strategy) your ability to fully participate in potential future

appreciation of the stock price.

Concentrated Equity Solutions Fees

For CES strategies, the manager is not involved in the selection of the underlying stock position(s) held in the account and will manage the account in order to pursue the strategy in connection with the underlying stock position(s) you deposit in the account. Although the CES strategy manager will not research or manage the underlying equity positions held in the account, the asset-based billing for your CES strategy advisory account will include billing for the value of the concentrated equity position held in the account.

Generally, Program Fees for investment advisory accounts are calculated based on the value of eligible assets in your Account, including the equity positions deposited in the account. As the value of the assets in your Account changes due to appreciation, depreciation, contributions or withdrawals, those changes impact the actual Program Fee charged on the Account. Certain assets are considered ineligible for billing purposes, for example option securities, and the value of those assets will not count toward the billable value of the assets in your CES Strategy Account. Both long options positions and short positions are not taken into consideration for billing purposes. Since short positions reduce the overall value of the account, to the extent the short options positions in your account exceed the value of any long positions, the billing for your account will be higher than would be the case if option positions were considered for billing purposes. Because the billing calculation excludes options positions, the amount on which we calculate your fee may be higher or lower than the account value displayed on your account statement.

Unless prohibited by account type (e.g. retirement accounts), CES strategies will require the account to be approved for margin which means you may incur a margin debit balance in your account. We charge interest according to our Firm's usual credit practices if payment of our fees or certain trading/market activity results in a debit balance in your Account.

A portion of your CES Advisory Account may be held in cash, cash equivalents or money market instruments which are subject to the Program Fees so long as they remain in the account. Some CES strategies seek to generate incremental income and, therefore, cash may accumulate in the account over time. CES strategy managers do not manage cash positions in the account. Cash, however, may be utilized to cover security purchases made by the Investment Manager. Since you will be billed advisory fees on the cash held in the account, you should monitor the levels of cash in your CES account over time to determine if such levels are necessary for the account based on your selected strategy.

Concentrated Equity Solutions Account Performance

The underlying stock position deposited into the CES account will be unique to each client and, therefore, performance for each CES investor will vary significantly.

G. Transactions in Your Accounts ^{4d} Attachment 1

You understand that all trading in your Accounts is at your risk and that investments in your Accounts are subject to a variety of market and other risks, including illiquidity and volatility. You also understand that investment performance of any kind can never be and is not guaranteed. Past performance is not an indicator of future results.

Non-Discretionary Programs and SWP Non- Discretionary Assets:

Since you retain control over the trading in these Program Accounts, you may execute security transactions which we have recommended to you (solicited transactions) as well as transactions which you execute without consultation with, or recommendation from us (unsolicited transactions on eligible investment products). These unsolicited transactions are solely your responsibility, and neither UBS nor your Financial Advisor will act as your investment adviser with respect to those transactions.

The advice and guidance of your Financial Advisor is a key service of the Non-Discretionary Programs. A pattern of unsolicited trading may indicate that the program you selected is no longer appropriate for you as you are not leveraging the advice of your Financial Advisor. In Strategic Advisor, this may result in the revocation of your online trading access (if applicable) and/or termination of your Account from the program.

Cash and Securities Concentration: Advisory Programs are not appropriate for clients who want to maintain a high level of cash and/or highly concentrated positions that will not be sold regardless of market conditions. (Concentrated equity positions may reasonably be held in Concentrated Equity Solutions ("CES") SMA strategy accounts available in the Managed Account Consulting ("MAC") Program.) If you continue to hold high level of cash and/ or highly concentrated positions then you do so against our recommendation and with the understanding that the value of those securities will be included for the purposes of calculating the Program fee, resulting in a higher fee to us. Please note that you may hold excess cash or concentrated position in a brokerage account without incurring an Advisory Program Fee. If your account continues to be outside of the concentration guidelines over a specified period of time then your account will be removed from Program(s).

Unsolicited Transactions: After you have completed an unsolicited transaction and have acquired a security on your own and without our recommendation or advice, for so long as you hold that position in your Account, we will take that asset into consideration, as part of your overall Account assets when we give you periodic asset allocation advice, when we value your account holdings and provide you with analyses and reports on your Account's performance. We may also make recommendations that you consider selling the asset, if and when we deem it appropriate. We will, therefore, include any security you acquire in an unsolicited transaction as part of your Account assets in calculating your Advisory fee, going forward, if you continue to hold the asset in your Account on the date we next calculate your Program Fee.

Review of Accounts: We have various policies and procedures applicable to the review and supervision of client accounts in our

investment advisory programs. Those policies are designed to comply with the requirements of the Investment Advisers Act of 1940, and where applicable, ERISA and other applicable rules and regulations.

There are general policies applicable to all Advisory Accounts as well as individually tailored guidelines for each of the wrap fee programs described in this agreement. Because the Programs offer different services and have different features, the guidelines for supervision vary by Program. In addition, **we apply certain guidelines including but not limited to single security and aggregate security concentration, cash concentration, trading level activity and minimum number of positions across an Advisory Account Group ("AAG"). The AAG aggregates guidelines across multiple accounts held by the same client in either the same program or across programs, depending on the specific guideline and program.**

CAP does not use the standard or custom AAGs.

The CAP Program applies Program guidelines on investments, restrictions and activity at the portfolio-level across a client's accounts enrolled in the Program, not on an account-by-account basis. This means that an individual client account will be deemed to be in alignment with program guidelines (for example, as to position concentration, trade activity, etc.) when considered together with the client's other CAP Program accounts even when the individual account would not align with program guidelines if viewed separately.

For example, an individual client account with no trading activity over a given period will be deemed to be in alignment with program guidelines if the client's CAP Program accounts viewed together demonstrate that the client is receiving investment advisory services under the CAP Program consistent with program guidelines. This is even though, if not enrolled in the CAP Program, the Account would otherwise be terminated and transitioned to a brokerage account for not fully leveraging the wrap fee services offered in the Program and covered by the Program Fee.

You understand and agree that the use of the AAG or, for CAP, a portfolio based approach for the supervision of Program guidelines means that:

- Some or all of such accounts may remain in the UBS Investment Advisory Programs although they would have been terminated from the Program(s) due to concentration levels or low trading levels if reviewed on a stand-alone basis;
- For CAP, accounts with no trading can remain in the Program for an extended period of time so long as clients are receiving and leveraging the investment advice provided in the Program;
- The continued participation of such accounts in UBS Investment Advisory Programs, will result in UBS receiving revenue that it may not have otherwise received had the accounts been reviewed individually and terminated from the program;
- Unless you are paying a levelized UBS Investment Advisory Fee for all assets in the AAG relationship, it is possible that the trading or

concentration levels of accounts which do not benefit those in which you are paying higher fees or vice versa; and

- While the ongoing advice of your Financial Advisor is the principal component of the services you pay for in the Programs, if you trade infrequently you may not be taking full advantage of all of the services offered.

Transactions in your SMA Programs, Discretionary Programs and your SWP SMA Manager sub-accounts:

After your Account is accepted for a Discretionary or SMA Program, you can no longer place orders to trade those Accounts. However, we may accept your instructions for transactions associated with tax planning (i.e., tax gain and loss sales), if your instructions are consistent with your Portfolio Manager/SMA Manager's strategy for your Account.

Except for the PMP Programs and the UBS Advice Portfolio Program (if you select tax loss harvesting services), neither UBS nor your Financial Advisor exercises any discretion over the selection of securities or tax lots to fulfill tax planning requests. Currently, in the ACCESS program and the SMA sub-accounts of SWP and AAP, you can work with your Financial Advisor to submit requests for tax harvesting trades to the SMA Managers.

- You may make requests to raise a specific dollar amount of gain/loss, which will be submitted through an automated process that systematically reviews the equity positions in a separately managed account/subaccount to identify the least number of trades needed to fulfill the request.
- You can make requests to raise maximum gains/losses from the equity positions in separately managed accounts/subaccounts and an automated process systematically identifies transactions to maximize gains/losses, depending on your request.
- You can also work with your Financial Advisor to identify specific securities (equity or fixed income) in the separately managed accounts/subaccounts that can be sold for tax planning purposes.
- You may request tax harvest requests using long-term then short-term or vice versa.

A combination of these options may be used to maximize total gain/loss requests. The automated process is subject to minimum gain/loss thresholds and managers may also have their own tax sale policies. The SMA Manager may fulfill, reject or modify the request. In addition, to ensure orderly processing of requests, **tax sales should be requested before November 30 of each calendar year.**

Tax loss harvesting requests apply to the individual account for which a request is made. If you buy or sell securities in an account that overlaps with the securities sold for tax purposes in another account, the tax loss may be disallowed under IRS wash sale rules.

We cannot accept requests to halt or freeze trading in an account

at any time as a way to prevent additional gains or losses or for any other reason.

H. Funding Your Account

You may fund your Accounts by depositing cash and/or securities designated as "eligible" for the specific Program; funding Accounts with UBS securities is permitted only for certain programs.

Class A shares and, for PMP, UBS Advice Portfolio Program and Strategic Advisor accounts, Class C shares (that are not subject to a contingent deferred sales charge) (CDSC) used to fund accounts will be automatically converted, on a tax-free exchange basis (subject to availability of that service by the mutual fund sponsor), to the new share class available for the relevant fund when free of the CDSC period. By executing the Application and Agreement you authorize us to make these exchanges on your behalf. Class C shares are not eligible for funding Strategic Wealth Portfolio, Advisor Allocation Program accounts.

If you fund your Accounts through the transfer of securities, you authorize and direct UBS and your SMA Manager to liquidate those securities on your behalf and to allocate the proceeds in accordance with the investment style, strategy or asset allocation you selected for those Accounts. We will not advise you regarding the liquidation of these securities. We will execute those transactions free of commission charges, but, depending on the type of security involved, those liquidations may result in you incurring redemption charges and taxable gains or losses. As UBS Financial Advisors do not provide tax advice, we recommend that you review the potential tax consequences of these liquidations with your tax advisor before funding Accounts with securities.

When liquidating these securities for purposes of establishing your account, we will be acting as your broker, not your investment adviser. Liquidations will occur promptly at prevailing market prices after you fund your Accounts. We are not responsible for the liquidations and any consequences if we are not informed by you of existing Account portfolios or other security holdings, the overall effect of liquidations on your portfolio, or the loss of potential gains due to movements in the market prices or changes in market conditions.

Securities that are ineligible for an Investment Advisory program should be transferred to a brokerage account. If immediately prior to funding an Advisory Account, you choose to liquidate eligible and/or ineligible securities to fund an advisory account with the cash proceeds, those liquidations will not be subject to commission charges, or if charged, commissions will be reversed.

Please see Section II Schedule C: UBS SWP for a description of account funding practices in that Program.

I. How Your Assets will be Invested ("Eligible Assets")

We require that you hold only eligible assets in your Advisory Accounts. Eligible assets may vary by Program and strategy type and may change at our discretion. Please contact your Financial Advisor for the current list of Eligible assets in your Program. In

4d Attachment 11
general, "Eligible Assets" are securities including U.S. and foreign stocks, bonds, options (in certain programs), American Depositary Receipts, open-end mutual funds (in certain programs), closed-end funds, eligible UITs (in certain programs), exchange-traded funds, money market mutual funds (in certain programs), public real estate investment trusts, offshore funds and ETFs, eligible Structured products (PMP and Strategic Advisor programs only), Hedge Funds, Funds of Funds and Private Equity (Proprietary and Non-Proprietary) (in certain programs) but limited only to Advisory/ Institutional share classes, and Small Business Administration Loans.

UBS, at its discretion, can make particular securities or issuers ineligible for the Programs or place a "hold" on further trading for certain investments at any time.

UBS, also in its discretion, may limit investment allocations to particular mutual funds, ETFs, closed end funds, UITs and other registered investment companies ("Funds"), including where additional investments may adversely impact the ability of one or more of our affiliates to trade with such Funds due to regulatory restrictions. In these circumstances, such Funds will be placed on "hold", thereby restricting additional purchases of such Funds in Advisory accounts, and a different Fund will then be selected for investment in order to increase exposure to a particular strategy or asset class for such Advisory accounts. These limitations cause a conflict of interest because UBS is taking into consideration the potential impact on trading relationships and business of its affiliates in making decisions on the availability of investments for Advisory clients. UBS mitigates this conflict by ensuring the availability of alternative Funds that can provide exposure similar to the initial Fund where additional purchases were restricted.

There may be instances or circumstances where UBS, at its discretion, makes particular investments, securities or issuers ineligible for the Programs.

- In addition, the following "Ineligible Assets" are not eligible in the Advisory Programs: Insurance and annuity products, limited partnership interests, private placements, IPOs, Non-Publicly Traded REITs, syndicate offerings (in certain programs), all other Non-Daily Traded Alternative investments including, but not limited to, brokerage share classes of Hedge Funds, Funds of Funds, Real Estate and Private Equity - Proprietary and Non-Proprietary, alternative investment funds that do not offer an Advisory or Institutional Share class or a tax free conversion among such classes, UBS securities (in certain programs), auction rate securities (in certain programs), floating rate securities, listed or OTC index warrants, commodities and futures (in certain programs), and, for those programs which permit open-end mutual funds, B and C class shares (these assets are not available for purchase but may be held in Strategic Advisor accounts and are not subject to the Program Fee) and certain Institutional mutual fund share classes if the Advisory share class is selected as the eligible share class for purchases in the Program, Penny Stocks, microcaps and other high risk-securities as defined by OTC Markets, Non-Daily traded alternative investments -

brokerage share classes, Letters of Credit, Participant loans and Inverse and leveraged ETFs (except for those ETFs eligible in PMP), Special Purpose Acquisition Companies (SPACs) and Virtual Currency.

We may change the list of Eligible and Ineligible Investments at any time.

Our Advisory programs do not offer the ability to conduct principal trades. As such, in these accounts, you may not hold, purchase or sell securities which only trade on a principal basis. Currently, you have access to principal execution in your Advisory Account for tax loss sales in worthless securities in all Programs.

Generally, our Programs do not offer UBS stock or UBS securities, except for the UBS mutual funds and money market funds (including money market funds used as cash sweep vehicles) in the Programs and UBS exchange traded notes in certain programs. However, SMA Managers who are not affiliated with UBS may purchase UBS securities for your Accounts. UBS securities are issued by UBS Group AG, the parent company of UBS, or another UBS affiliate under common control. As a UBS Group AG subsidiary, we have a control relationship (we are either controlled by or under common control) with the issuer of such securities.

Classification and Availability of Investments, SMA Managers, Mutual Funds, Alternative Investments and PACE Select Trust Portfolios: The inclusion of any particular PACE Select Portfolio, mutual fund or other investment or strategy in our Programs does not mean that UBS endorses or recommends that you invest in that security.

UBS categorizes all eligible SMAs, mutual funds, ETFs alternative investments and other pooled investments into asset categories. We may add or remove asset categories from our asset allocations and the Programs at any time. We also may change an investment's asset category based on various factors, including, for example, a mutual fund's portfolio holdings. In the event of changes described in this paragraph, you will be required to accept such changes to the Programs and/or the funds or strategies in order to continue your participation in the Program. If you choose not to accept such changes, you will no longer be eligible to participate in the Programs or invest in the asset or strategy.

There can be no assurance that any of the investments or strategies available or eligible in our programs will remain available for purchase through the Programs. We may add or remove securities or issuers at any time, or an issuer or sponsor may stop offering its securities through or participating in the Programs. Depending on the circumstances those investments may be redeemed, transferred to a brokerage account or registered directly in your name with the issuer's transfer agent. This may result in additional costs or be a taxable event for you.

Please See Section II, Schedule A for additional information on strategies available in our Discretionary Programs.

If you hold such products investments in your Accounts and you also have a separate UBS commission-based brokerage account, we may transfer those assets from your Advisory Accounts to your UBS commission-based brokerage account to facilitate the UBS method of billing and performance reporting. By signing the Application and Agreement, you authorize us to implement those transfers. However, you understand that we are not obligated to transfer those assets and you remain responsible for monitoring and moving these assets from the Programs. The transfer of Ineligible Assets from your Advisory Accounts to your brokerage account will not result in liquidation of your securities or taxable events, commissions or any other compensation either to UBS or your Financial Advisor.

If you decide to hold Ineligible Assets in your Advisory Account, you do so against our recommendation and with the understanding that the value of those securities may impact a variety of services offered in the Programs and be included for purposes of calculating and reporting the performance of your Account - including the calculation of the Program Fee or other account billing events, which could result in you paying a higher fee to UBS and your investment manager and cause trade error(s) due to overinvestment. If you do not move these Ineligible Assets to another account, we may close your Advisory Account.

FOR STRATEGIC ADVISOR and PMP ACCOUNTS ONLY:

As an accommodation, we may permit the holding of certain Ineligible Assets in your Account so long as doing so does not disrupt the investment and billing of the Eligible Assets in the Account. These assets are referred to as "Non-Billable Assets." Non-Billable Assets generally include: commodities, futures, Alternative Investments (e.g., hedge funds and funds of hedge funds), B share class and C-share class mutual funds, and certain unit investment trusts (UITs). While you may hold and liquidate these assets in your Account, they are not eligible for purchases of new positions or increasing an existing position. Purchases may only be made through a non-Advisory commission-based brokerage account. **Non-billable assets held in your Account will not be assessed the Program Fee.** Additionally, non-billable assets will not be included when determining the minimum account opening requirement, but they will be included in the performance reporting for the Account. In Strategic Advisor, non-billable assets are included in the strategy review.

Neither UBS, your SMA Manager nor your Financial Advisor will act as your investment adviser with respect to Ineligible Assets, including investments and securities that UBS makes ineligible after your account is enrolled in a Program.

Strategic Advisor Accounts holding Eligible Non-Billable Assets may not be enrolled in UBS-CAP.

Recommendation or purchase of UBS affiliated/proprietary SMA Managers, Securities and Investments: We may, after a review of your investment needs and available options,

recommend, or in our Discretionary Programs select or purchase on your behalf, affiliated/proprietary money managers or securities. Our selection or recommendation of proprietary or affiliated products and managers raises a conflict of interest as retaining those entities or purchasing those securities will result in increased compensation to UBS and/or an affiliated company in the UBS organization, depending on your specific circumstances. If you or we select funds, products or other investment vehicles managed or sponsored by us or our affiliates, those management fees will be payable to those affiliated entities. Your Account's actual investment return will be reduced by those fees and expenses as well as the Program Fee. Please review the applicable prospectus and offering documents carefully for a detailed description of the additional fees associated with these products.

J. Mutual Fund Share Classes; Eligible Share Classes and Mutual Fund Share Class Conversion:

For Programs which offer mutual funds, the offering includes affiliated and non-affiliated mutual funds. We will provide you with mutual fund prospectuses and other fund information as you may reasonably request to assist you in completing appropriate forms for purchases, redemptions, account designations, address changes and other transactions involving these investments.

Historically, our Advisory Programs offered Class A shares of mutual funds, which are sold on a no-load or load-waived basis. These Class A shares normally impose a shareholder servicing fee, commonly referred to as a 12b-1 fee, which you pay directly to the fund company. As a distributor of mutual funds, we receive a portion of the 12b-1 fees for services we provide.

Institutional and/or Advisory share classes are the primary eligible domestic and offshore mutual fund share classes for proprietary and non-proprietary mutual funds available for purchase in the Advisory Programs. Institutional and/or Advisory share classes are also the primary eligible offshore mutual fund share classes, and are available for purchase in UBS Strategic Wealth Portfolio, UBS Strategic Advisor, Portfolio Management Program and Advisor Allocation Program. We refer to these changes in share class eligibility in our Programs as the "Share Class Conversion". These share classes do not impose a load or sales charge at the time of purchase; however, because most Institutional or Advisory share classes do not impose a 12b-1 fee shareholder servicing fee, these share classes are usually more cost effective than the Class A shares.

If you hold Institutional Shares in your Advisory Account and the Advisory share class becomes the share class eligible for purchase, your Institutional shares will become "hold only" (even if, in the case of offshore funds, you elect not to convert your Class A shares to Advisory shares.). That means you may sell but you may not add to those positions in the Advisory Accounts.

If you transfer Class A shares of mutual funds to your Advisory Account, or use such shares to fund your Account, we will automatically convert such shares to the advisory or institutional share class if available for purchase in the Programs, including

Class C shares that are out of the PACE Multi, where such conversion will occur upon Financial Advisor request.. Class A shares of offshore funds are **not** automatically converted to the advisory share class. If you hold Class A shares of offshore mutual funds, you may elect (but you are not required) to convert those positions to advisory share classes upon reviewing your Account and providing an attestation regarding your understanding of tax consequences that may occur as a result of the conversion.

For both domestic and offshore mutual funds you may be able to purchase and hold these Institutional and/or Advisory shares in your brokerage account and exclude these assets from your Program Fee. Other share classes, including some that may be more cost effective and for which we receive no revenue sharing compensation, may be available to you in brokerage accounts or through advisory programs designed primarily for institutional clients.

Domestic Funds: Certain Class A shares may continue to be eligible for purchase for mutual funds that do not offer an Institutional or Advisory share class. Class A shares eligible for transfer to Advisory Accounts will be converted on a tax-free basis to the Institutional or Advisory share class. In addition to converting Class A Shares, we will also convert Class C shares that you hold in your Advisory Account so long as those shares are not subject to a contingent deferred sales charge. Institutional and Advisory share classes do not pay a 12b-1 distribution fee. Financial Advisors earned 12b-1 fees in connection with Class A shares held in Non- Discretionary Programs and Strategic Wealth Portfolio until the Share Class Conversion was completed. After the completion of the Share Class Conversion, 12b-1 fees for Class A shares of domestic funds that remain in the Programs will be retained by the Firm but will not be paid to Financial Advisors. Those 12b-1 fees will be treated as non-compensable revenue. See "Revenue Sharing" below for a description of that process. Clients in Discretionary Programs will continue to receive a credit of 12b-1 fees for Class A shares held in those Accounts.

Class A and Class C shares (that are not subject to a contingent deferred sales charge) that are used to fund accounts subsequent to the Share Class Conversions in each Program will be automatically converted, on a tax-free exchange basis, if possible, to the new share class available for the relevant fund. You authorize these changes by executing the Advisory Relationship Agreement, or, if you already have an Agreement on file, by continuing to accept the services in the program after we notify you of the upcoming changes.

Single Share Class Mutual Funds: We offer a single share class of mutual funds with no front-end loads, back-end loads or 12b-1s offered for purchase in our brokerage platform subject to a per-transaction commission, with certain limited exceptions including, but not limited to, offshore funds, interval funds, and money market funds. This share class will be, in most instances, the same share class available in our Advisory programs. Clients who hold A, B, C or other

share classes in their brokerage accounts may continue to hold those assets. Financial Advisors will continue to receive 12b-1s, and clients may continue to incur CDSCs and other fees associated with such share classes so long as clients continue to hold them. However, new purchases of mutual funds (other than the limited exceptions referred to above) will be limited to the commission-based single share classes.

The difference in compensation structure between the single share class and previously offered share classes creates a conflict of interest as Financial Advisors have an incentive to recommend that clients continue to hold the A, B, C or other share classes or recommend that those shares (including single share class shares) be moved to an Advisory Program to maintain the level of revenue they receive.

Additional Compensation: To the extent permissible by applicable law, UBS-FS receives revenue sharing for Advisory shares in Eligible Advisory Programs. This additional compensation presents a conflict of interest and is an incentive to designate as "eligible" the share class for which we receive higher compensation.

Advisory/Institutional Share Classes of Alternative Investments:

Certain Programs (UBS-CAP, CAP Select and Strategic Advisor) permit you to hold advisory/institutional share classes of certain alternative investments (proprietary and non-proprietary) as part of your Advisory Account or UBS-CAP or CAP Select Relationship. Only funds that offer advisory/institutional share classes and permit conversion of the brokerage share class on a tax free basis are eligible and billable in the Programs.

Unlike mutual funds where the conversion of share classes is automatic, the tax free conversion of share classes is subject to additional documentation and may take up to 120 days to complete. These assets will not be approved for the Advisory Programs until the Share Class Conversion is complete. UBS and our Financial Advisors will continue to receive a portion of the management fee and other compensation until the effective date of such conversion. *"See Additional Sources of Compensation in Connection with Investments in Advisory Accounts"*

Termination of your Advisory Account and Impact on Share Classes: Generally, you may continue to hold most Institutional and/or Advisory share classes after you terminate your Advisory Account. However, in certain limited cases, mutual fund companies and alternative investment fund sponsors require that Institutional and/or Advisory share classes that have been created for use or are eligible exclusively within wrap fee Advisory programs be converted to the respective brokerage share class of the fund (for example, Class A shares for mutual funds) on termination of the Advisory Account. When required by the prospectus for mutual funds, on termination of your advisory account, we will convert your Institutional and/or Advisory share

classes to Class A shares of the fund on a tax-free basis unless you are terminating your account to establish another one in a separate program where the same share class is eligible. **Unless the issuer requires automatic redemption of these investments, you can continue to hold them in your brokerage account.** Single share class holdings that move from Advisory to Brokerage accounts will be subject to commission charges on buys and sells. Please see *"Automatic Liquidation or Exchange of Certain Assets at Account Termination"* for more information.

Transferring Mutual Funds and Alternative Investment Shares and other Assets into Your Advisory Accounts: We may accept the transfer of certain assets and mutual fund and alternative investments shares purchased outside of our Advisory Programs at UBS or at other financial institutions into Advisory Accounts. Assets transferred into your Advisory Accounts are referred to as "Transferred Assets." Transferred Assets may have been assessed a sales load, sales charge or distribution fees previously, and, once transferred, you will be assessed the Program Fee based on the value of those assets except in certain instances.

If your Transferred Assets were purchased in a UBS brokerage account and were assessed a front-end sales load, placement fees or syndicate/underwriting fees, those assets will not be charged the Program fee until 12 months have elapsed from the date of initial purchase. If your transferred mutual fund or alternative investment shares (for example Class A shares of mutual funds or where applicable the brokerage share class of an alternative investment purchased with a sales charge) are converted to an Institutional or Advisory share class on transfer to an Advisory Program, the new share class will be designated as a "Transferred Asset" and will be excluded from the Program Fee until 12 months have elapsed from the initial purchase date of the Class A share or brokerage share class. Transferred Assets purchased at other financial institutions will be assessed the Program fee immediately. Because the exceptions are not available for assets and mutual fund shares purchased at another financial institution, the overall cost to you of transferring these assets into the Programs may be higher for assets you purchased at another financial institution. Please review the costs carefully before making a decision to transfer assets into your Advisory Accounts.

If you sold mutual fund shares or alternative investment funds prior to entering into, or while in our Programs (for example, funding your Account with B or C shares), you may have either upfront or back-end charges, or redemption fees with respect to that sale or incurred charges on the initial purchase of certain share classes. You will now incur the Program fee on eligible shares held in your Accounts, in addition to the operating fees and expenses applicable to mutual funds and alternative investments.

However, if you transfer mutual fund shares purchased under the new Single Share Class offering to an Advisory Account, those shares will be subject to the UBS Investment Advisory Fee upon transfer and any commissions charged within a

certain period prior to such transfer will be rebated to your account.

Mutual Fund Redemption Fees for Active Trading: The mutual funds you hold in your Accounts may charge redemption fees if shares are redeemed within a certain period of time after they are purchased, also known as active trading. These fees may also apply to the redemption portion of an exchange transaction if shares are exchanged among funds (whether through direct exchanges or through sales and new purchases) in the same family of funds more frequently than is permitted by each fund's prospectus. The amount charged as a redemption fee, the length of time you must hold your shares to avoid a redemption fee and the number and frequency of exchanges among funds you may make without paying a redemption fee, varies from one mutual fund to another. This information is included in each Fund's prospectus. If you have questions about whether a redemption fee will apply to a transaction you wish to make, please ask your Financial Advisor for a prospectus for the applicable mutual fund. *If charged, redemption fees will be in addition to the Program Fee and will be your responsibility.*

For mutual fund assets in the SWP, UBS ACCESS, UBS Advice Advantage and PACE programs, you will not be charged redemption fees resulting solely from automatic transactions effected for your allocation, including periodic automatic account rebalancing, periodic automatic withdrawals from your Account or withdrawals to pay your Program Fee, if you have selected these features. If due to system limitations or errors, your Account is charged redemption fees as a result of periodic automatic account rebalancing, auto redemption withdrawals from your Account or withdrawals to pay your Program Fee, we will credit your Account for the amount of those fees.

Redemption fees incurred for any other reason, and as a result of trading you direct, will be your responsibility.

K. Diversification

Unless the asset allocation or investment strategy you select is identified as a fully diversified strategy (for example, diversified across all asset classes), an investment in that strategy should not be considered as a diversified asset allocation plan (either overall or within a single asset class or style), but should be viewed only as the equity or fixed income portion, as applicable, of your overall portfolio.

L. Cash Balances

Generally, a portion of your Advisory Account(s) may be held in cash, cash equivalents or money market funds as part of the overall investment strategy for the account. We make available an automatic sweep feature for your account where available cash balances are automatically invested or deposited, respectively in shares of an available money market mutual fund or to deposit accounts at FDIC-insured banks, which balances may be insured by the FDIC up to applicable FDIC insurance limits of \$250,000 per

insurable ownership category per bank (e.g., \$100,000 for individual accounts and \$500,000 for joint accounts). "Available cash" in your Advisory Accounts eligible for the sweep program will vary. For example, if you are invested in an Options Overlay Strategy, accounts only sweep in excess of the margin debits.

The description of the sweep feature and options included below are current as of the date of this Brochure and are subject to change. For the most up-to-date information, please refer to the applicable disclosures at www.ubs.com/sweepyields or available from your Financial Advisor.

You should consider the following important information regarding these sweep options:

- 403b plan accounts, Qualified Plans with a pooled structure, corporate cash management accounts and financial institution accounts will continue to sweep directly to money market funds, specifically the UBS Liquid Assets Government Fund (for retirement accounts) or UBS RMA Government Money Market Fund (for non-retirement accounts). These funds are referred to together as "Sweep Funds".
- All other accounts sweep to FDIC-insured deposit accounts through the UBS Bank Sweep Programs or the UBS FDIC-Insured Deposit Program. The UBS Bank Sweep Programs consist of three programs: (1) the UBS Deposit Account Sweep Program (the Deposit Program), (2) the UBS Business Account Sweep Program (the Business Program), and (3) the UBS Insured Sweep Program (the UBS-ISP). The UBS FDIC-Insured Deposit Program is the sweep option for accounts owned by a trust where all beneficiaries are natural persons and/or non-profit entities. The UBS-ISP is the sweep option for most other accounts, with the exception of retirement accounts. Effective on or around May 23, 2022, certain retirement accounts will no longer sweep to the Deposit Program. Specifically, the Deposit Program will remain the sweep option for retirement accounts and plan accounts in Discretionary Programs, SWP, CAP, Institutional Consulting and Separately Managed Account Programs (ACCESS or MAC) managed by a UBS affiliate. Retirement accounts owned trust or estate by a business will remain in the UBS Business Program. The UBS-ISP will become the sweep option for all other retirement accounts (except those that sweep to Sweep Funds, described above).
- ISP and will remain in either the UBS Deposit Program or the UBS Business Program.

The UBS Bank Sweep Programs and the UBS FDIC-Insured Deposit Program are referred to together as the UBS Deposit Sweep Programs. UBS Bank USA receives deposits through all of the programs and is the only bank that receives deposits through the Deposit Program and the Business Program. In the FDIC-Insured Deposit Program and the UBS-ISP, non-UBS banks may also receive deposits. These programs are described in more detail below.

Conflicts of Interest and Benefits to UBS and its affiliates:

UBS Bank USA and UBS receive substantial financial benefits for activities related to the deposit accounts and investments in the money market funds.

Your Program Fee applies to the cash and cash equivalents in your Advisory Account, including cash that is swept into the various sweep options. Interest rates on the deposit accounts held at UBS Bank USA are determined by UBS Bank USA and are competitive relative to similar deposit sweep programs in the industry. These interest rates depend on the general level of interest rates in the US economy and generally are lower than the prevailing yield on money market mutual funds and other cash alternatives and can be significantly lower. See *UBS Deposit Sweep Programs-Interest Rates* below for additional information. **You can hold cash in a brokerage account without incurring the Advisory Program Fee.** Please see section "*Billing Practices—Billing on Cash and Cash Equivalents in Your Program Accounts*" for details.

UBS Deposit Sweep Programs - Benefits to UBS Bank USA: UBS Bank USA uses deposit balances in the UBS Deposit Sweep Programs to fund new lending and investment activity. Its profitability is determined largely by the difference between the interest paid and costs associated with deposit balances, and the interest or other income earned on its loans, investments and other assets. UBS Bank USA improves its profitability when it lowers the interest rates paid and the costs associated with deposit balances. The yield UBS Bank USA provides is based on industry comparables (selected by UBS Bank USA) such as the yields of other banks; it is not based on the yields provided by other cash or cash equivalents such as money market funds and treasuries. Having more assets sweeping to UBS Bank USA provides significant economic benefits to UBS as a whole.

In addition, the UBS-ISP uses a network of banks that includes UBS Bank USA and third-party banks and other non-affiliated financial institutions. UBS Bank USA, acting as sub-custodian for UBS, places deposits received from UBS's customers that are individuals with the third-party banks in the network and receives compensation from those third-party banks for such deposits. The third-party banks pay UBS Bank USA a percentage-based amount based on a stated index, typically the Fed Funds rate plus a spread, known as the Total All-in Cost of Funds rate ("TACF"). The TACF includes an accrual for both (i) interest on deposit balances that is accrued and credited to each client's deposit account and (ii) a custodial agent fee that is payable to UBS Bank USA. A portion of the TACF is also paid by UBS Bank USA to a third party administrator, and the balance is retained by UBS. The compensation to UBS Bank USA may significantly exceed the amount paid to clients as interest on their deposit account balances at the third-party banks.

UBS Bank USA may receive additional deposits from these non-affiliated banks and financial institutions in the network, which provides additional benefits to UBS Bank USA. Deposits received by UBS Bank USA through the network are less costly for UBS Bank USA because the deposits are fully insured. This lower cost should allow UBS Bank USA to increase its earnings on its loans, investments and other assets.

4d-Attachment1
Deposit accounts at UBS Bank USA and UBS that receive cash through the UBS FDIC-Insured Deposit Program and the UBS-ISP are FDIC-insured in accordance with FDIC rules. For more information, please visit www.fdic.gov.

UBS Deposit Sweep Programs - Benefits to UBS: UBS Bank USA pays UBS Financial Services Inc. ("UBS") an annual fee of up to \$50 per securities account that sweeps to the UBS Deposit Sweep Programs.

In the UBS FDIC-Insured Deposit Program, third party banks that benefit from the cash deposited with them pay UBS a percentage-based amount based on a stated index, typically the Fed Funds rate plus a spread, known as the Total All-in Cost of Funds rate ("TACF"). The TACF includes an accrual for both (i) interest on deposit balances that is accrued and credited to client's deposit account and (ii) a custodial agent fee that is payable to UBS. The TACF as of the date hereof averages approximately 0.17% annually on the deposit accounts. A portion of the TACF is also paid by UBS to a third party administrator and the balance is retained by UBS. The compensation to UBS significantly exceeds the amount paid to clients as interest on their deposit account balances at the third party banks. Also, because the yields for both the UBS Bank USA Sweeps Program and the UBS FDIC-Insured Deposit Program are the same and can vary over time, the amount retained by UBS will fluctuate. Clients will earn the same interest rate in all of the UBS Deposit Sweep Programs, regardless of which banks their cash is deposited in.

Your Financial Advisor does not currently receive a fee in connection with UBS Deposit Sweep Programs. UBS reserves the right to pay a fee to your Financial Advisor in connection with UBS Deposit Sweep Programs at any time without prior notice. Upon request, UBS will provide you with information about UBS's compensation arrangements with respect to its sweep options.

To address the conflicts of interest associated with the UBS Deposit Sweep Program we have program guidelines designed to promote diversification and limit the maximum percentage of cash held in an Advisory Account. Accounts that exceed the maximum cash threshold over a specified period of time in the PACE, Strategic Advisor, and PMP Programs will be removed from the programs and converted to brokerage accounts. In addition, money market funds may be available for purchase as an alternative to the UBS Deposit Sweep Programs.

Our monitoring of cash in Advisory Accounts **does not** include a review of cash balances being swept to deposit accounts at UBS Bank USA through the UBS Deposit Sweep Programs to determine if there are cash balances sweeping in excess of the FDIC insurance limit. **You are responsible for monitoring the total amount of deposits that you have with UBS Bank USA and other participating banks to determine the extent of FDIC deposit insurance coverage available to you on those deposits.**

Clients seeking higher yielding cash equivalent investments should consider the several cash alternatives we have available, including the aforementioned money market funds, short-term certificates of deposit (CDs) and treasuries.

We may change or discontinue the sweep feature, sweep programs or specific sweep options at any time in our sole discretion. We will notify you of material changes to this account feature. You may obtain information about current yields on available sweep options online at www.ubs.com/sweeppyields.

UBS Sweep Programs: Account Eligibility

- **Advisory Accounts:** When permitted by applicable law and subject to eligibility requirements (see below), we will automatically sweep available cash balances in your Advisory accounts into bank deposit accounts (through either the UBS Deposit Sweep Programs or the UBS FDIC-Insured Deposit Program) and/or money market funds affiliated with UBS for which we or our affiliates receive compensation in addition to the Program Fees you pay us. For more information, please contact your Financial Advisor for a copy of the money market fund prospectus(es) and the disclosure statement (each a "Program Disclosure") for the UBS Bank Sweep Programs, and the UBS FDIC-Insured Deposit Program. If your sweep option changes to a money market fund as a result of your Advisory program selection, the applicable money market fund prospectus will be sent to you as part of your Welcome Package when we confirm that your Account has been accepted.
- For most clients, the UBS Deposit Sweep Programs described below are the only available sweep option.

Retirement accounts in Advisory Programs: With the exception of qualified plans with a pooled structure and 403(b)(7) accounts, UBS offers only the Deposit Program as a primary sweep feature for the automatic investment of available cash balances in Individual Retirement Accounts ("IRAs") and securities accounts held by employee benefit plans and plan participants. For qualified plans with a pooled structure and 403(b)(7) accounts, our affiliate's compensation from the money market fund will be limited to reimbursement of its direct costs and expenses for providing services to the fund excluding overhead costs or profits. All fees and reimbursements for direct costs and expenses paid to our affiliate by such a fund are in addition to the fees you pay us.

When your Advisory Account is closed, it becomes a brokerage account and it is subject to the terms and conditions of your brokerage account agreement. The sweep options for Advisory and brokerage accounts may be different and, depending on the circumstances, may yield significantly different rates of return on the free cash in your brokerage account. The resulting change in sweep options may result in additional compensation to UBS, its Financial Advisors and UBS affiliates. The sweep options for the cash held in brokerage accounts are described in the brokerage account agreement.

UBS Bank Sweep Programs: The UBS Bank Sweep Programs consist of the UBS Deposit Account Sweep Program (the Deposit

Program), the UBS Business Account Sweep Program (the Business Program), the UBS Insured Sweep Program (the UBS-ISP). 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 any bank.

In addition, an account is not eligible for the UBS Bank Sweep Program (an "Ineligible Account") if the account is (1) owned by a financial institution, (2) is a Qualified Plan pool account, (3) owned by trust if all trust beneficiaries are natural persons and/or nonprofit organizations, (4) plans established under Section 403(b)(7) of the Internal Revenue Code or (5) a corporate cash management account.

The term "financial institution" includes the following entities and any others that UBS may add from time to time: Insurance companies, broker-dealers, investment advisors, 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.

The sweep option for an Ineligible Account will be either an available UBS money market fund or deposit accounts through the UBS FDIC-Insured Deposit Program.

Deposit Program: The Deposit Program is available only to:

- Retirement advisory accounts and Qualified Plans that are managed on a discretionary basis by UBS or an affiliate, including PMP (Portfolio Management Program) and certain accounts within AAP (Advisor Allocation Program), AP (Advice Portfolio) and CAP (UBS Consolidated Advisory Program)
- Retail accounts that were enrolled in the Deposit Program prior to November 18, 2019 and elected to have Free Cash Balances swept to UBS Bank USA up to a maximum of \$250,000 per account owner, with excess funds deposited without limit at AG Stamford Branch (Legacy Accounts)

Business Program: The Business Program is available only to:

- Business accounts that were enrolled in the Business Program prior to November 18, 2019 and elected to have free cash balances swept to UBS Bank USA up to a maximum of \$250,000 per account owner, with excess funds deposited without limit at AG Stamford Branch.
- Retirement advisory accounts and Qualified Plans in Discretionary Programs, SWP, CAP, Institutional Consulting and Separately Managed Account Programs (ACCESS or MAC) managed by a UBS affiliate.
- Individual Retirement Accounts owned by a business, trust or estate
- Individual participant accounts under a defined contribution plan that are managed on a discretionary basis

Business entities, nonprofit organizations, estates, eligible revocable and irrevocable trusts, eligible custodial accounts, sole proprietorships and governmental entities are referred to as "Business" accounts

UBS-ISP: The UBS-ISP is available to:

- Individuals
- Custodial accounts (if none of the beneficiaries is a business entity)
- Business entities, such as corporations, sole proprietorships, governmental entities, partnerships, limited liability companies, associations and business trusts
- Nonprofit organizations
- Estates
- Revocable and irrevocable trusts owned by US residents (if one or more beneficiaries is a business entity)
- Trusts owned by non-US residents
- Legacy Accounts and Legacy Business Accounts (clients must contact their Financial Advisor to enroll in UBS-ISP)

Individuals are referred to as “Retail” accounts.

- Individual Retirement Accounts (IRA), including traditional, Roth, SEP, and SIMPLE IRAs*
- 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). 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 is also eligible.*

*Please note: Beginning in or around May 23, 2022, if these accounts/plans are in Discretionary Programs, SWP, CAP, Institutional Consulting, or Separately Managed Account Programs (ACCESS or MAC) managed by a UBS affiliate, then they are not eligible for UBS-ISP and will remain in either the UBS Deposit Program or the UBS Business Program.

- Individuals are referred to as “Retail” accounts. Business entities, nonprofit organizations, estates, eligible revocable and irrevocable trusts, eligible custodial accounts, sole proprietorships and governmental entities are referred to as “Business” accounts

Sweeps to UBS Bank USA. For eligible Accounts in the UBS Bank Sweep Programs:

- Cash balances will be deposited automatically—or “swept”— to interest bearing deposit accounts (Retail Accounts or Business Accounts as the case may be) at UBS Bank USA an FDIC member institution and an affiliate of UBS. Cash in all accounts other than those held by individuals will be swept into deposit accounts at UBS Bank USA without limit. As a result, you may have balances in excess of the FDIC insurance limit. See important information about FDIC coverage below.

The Program Disclosure is available online at www.ubs.com/sweepyields.

UBS FDIC-Insured Deposit Program:

This program provides a sweep of cash balances of certain UBS client accounts to deposit accounts at UBS Bank USA and several third-Rev. 04/22

party banks that have entered into an agreement to accept such deposits. Deposit accounts through the UBS FDIC-Insured Deposit Program will be your sweep option if you are a U.S. resident and your Account is owned by a revocable or irrevocable trust where our records indicate that all beneficiaries are either individuals and/or not-for-profit organizations. Non-U.S. residents and retirement accounts are not eligible for the UBS FDIC-Insured Deposit Program.

Through this program, available cash balances in your Account up to \$249,000 will be swept into deposit accounts at each participating FDIC-insured bank (each a “Program Bank”) on a Bank Priority List (“Priority List”) applicable to your Account. UBS Bank USA will be the first Program Bank on the Priority List.

Available cash balance will be swept into deposit accounts at each Program Bank in the order in which the Program Banks are set forth on the Priority List, up to a total of \$2.49 million (“Program Deposit Limit”). Once deposit balances are equal to the Program Deposit Limit, any additional available cash balances will be deposited in deposit accounts at UBS Bank USA. ***See “Conflicts of Interest: Benefits to UBS” above for a description of the compensation received by UBS in connection with this program.***

The Program Disclosure and Priority List are available at ubs.com/sweepyields or from your Financial Advisor.

UBS Deposit Sweep Programs - FDIC Insurance coverage and limitations: Deposit balances in the UBS Deposit Sweep Programs are eligible for deposit insurance by the FDIC up to a total of \$250,000 including principal and accrued interest for each insurable ownership capacity (e.g., individual, joint, IRA). Deposit balances are not eligible for protection by SIPC. Qualified Plan accounts are eligible for FDIC insurance up to a total of \$250,000 per plan participant based on each participant’s non-contingent interest in the employee benefit plan.

All of your deposits with UBS Bank USA or any other Program Bank (including cash swept through eligible UBS accounts and any certificates of deposit you own), will be aggregated for purposes of the FDIC coverage limit. In addition, if you exceed the Program Deposit Limit, your balances at UBS Bank USA will exceed the amount covered by FDIC insurance. Also, if you have more than one Account that sweeps to a Program Bank, the amount deposited at the Program Bank may exceed the amount covered by FDIC insurance. You are responsible for monitoring the total amount of deposits that you have with each Program Bank to determine the extent of FDIC deposit insurance coverage available to you. Please refer to the Program Disclosures for the UBS Deposit Sweep Programs for more detailed information regarding FDIC insurance. You may obtain a copy of each Program Disclosure by contacting your Financial Advisor. It is also available at ubs.com/accountdisclosures

UBS Deposit Sweep Programs - Interest rates: Interest rates on the deposit accounts in the UBS Deposit Sweep Programs are tiered based on your total eligible deposits in a Marketing or Qualified

Plan Relationship as defined in the "General Terms and Conditions" of the Agreements and Disclosures booklet, which is available at ubs.com/accountdisclosures or by requesting one from your Financial Advisor. Interest rates generally are lower than the prevailing yield on money market mutual funds. As of March 15, 2022, the Annual Percentage Yield on the lowest tier of the UBS Deposit Account Sweep Program was 0.01%, while the seven-day current yield on the money market funds available to certain clients or as secondary sweep options ranged from 0.01% to 0.08%. You may view current interest rates, yields and important disclosures at ubs.com/sweepyields. If you hold cash in your investment advisory account you should have a discussion with your Financial Advisor because it will be swept automatically as described above.

In addition, interest rates may be higher or lower than interest rates available to depositors making deposits directly with a third-party bank, or in the UBS-ISP or in the UBS-FDIC Insured Deposit Program or other depository institutions in comparable accounts.

See "Conflicts of Interest: Benefits to UBS" above for a description of the compensation received by UBS in connection with these programs.

Alternatives to the UBS Deposit Sweep Programs: Investors who are not eligible to participate in the Deposit Programs – such as financial institutions, qualified plans with a pooled structure, 403(b)(7) accounts and corporate cash management accounts - may select an available money market fund as their sweep option. UBS RMA Government Money Market Fund and UBS Liquid Assets Government Fund are the funds currently available for non-retirement accounts and retirement accounts, respectively.

- For more complete information about any of the money market funds available as a sweep option or secondary sweep option, including all charges and expenses, please contact your Financial Advisor for a prospectus or go to ubs.com/sweepyields. Read the prospectus carefully before you invest or send money.
- **Non-U.S. residents are not eligible for any of the money market funds available as sweep options.**

Other sweep options may be available from time to time, and you should discuss other options with your Financial Advisor. You may also choose to maintain any cash component of an asset allocation strategy outside of your UBS Advisory Accounts.

We, and our affiliates, receive additional compensation in connection with these investments. Please see Section V of this Agreement for more information.

You could lose money by investing in a money market fund. Although each of the money market funds named above seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other

government agency. Each money market fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

Investors should consider the investment objective, risks, and charges and expenses of a money market fund carefully before investing. The fund's prospectus contains this and other information about the fund. You may obtain a prospectus from your Financial Advisor. The prospectus should be read carefully before investing.

Money Market Funds - Not FDIC Insured. May lose value. No bank guarantee.

UBS Asset Management (US) Inc. is each money market fund's distributor.

By signing the Application and Agreement, you authorize and direct UBS Financial Services Inc. to sweep your cash balances as described in this Agreement and to liquidate the money market fund holdings in your Advisory Accounts on your behalf under the terms and conditions described above.

Important Information About Your Sweep Options for the PACE Program Only: Your PACE asset allocation is fully invested and does not have a sweep vehicle. However, the PACE assets are held in a "commingled account" which also has brokerage assets (for example a Resource or Business Management Account or, if available, a Basic Investment Account). For eligible clients, available cash balances in Basic Investment, Resource and Business Management Accounts are **automatically** swept to deposit accounts in one of the UBS Bank Sweep Programs in accordance with the term of your brokerage account agreement which differ from those available to Advisory Accounts. **You should review the Program Disclosure carefully before selecting sweep options for your account.**

SIPC Protection: Please note the following:

- We are a member of SIPC. SIPC provides protection for securities in your accounts with us up to \$500,000, including \$250,000 for free cash balances in the unlikely event that we fail financially. For details please see www.sipc.org. The SIPC asset protection limits apply, in total, to all accounts that you hold in a particular capacity. Investments in the sweep money market funds are not bank accounts and are not protected by the FDIC. However, balances in those funds, are covered by both the SIPC as well as the excess SIPC insurance that we have obtained for the benefit of our clients. The maintenance of a given share price value (e.g., \$1.00 per share) by the funds is not insured or guaranteed. **See the Account Information Booklet and the Disclosure Statement for more information regarding SIPC protection.**

M. Investment Restrictions

The Discretionary, Unified Accounts and SMA Programs offer you

the ability to impose reasonable investment restrictions on the management of your Accounts. These restrictions will apply only to the Account you designate and vary by type of program, account or strategy. UBS and your SMA Manager, as applicable, will seek to adhere to your restrictions on a reasonable basis. We or your SMA Manager may refuse to accept an Account for management in cases where we find the restrictions to be onerous. In this circumstance, you or your Financial Advisor in AAP would need to select a new SMA Manager (or other investment). This may delay investment of the entire Account.

Investment restrictions will apply only to those assets over which we or your SMA Manager have discretion. Investment restrictions are not applicable to, and may not be imposed on, the non-discretionary portion of your SWP Account or "ineligible" assets you may hold in the Accounts or the alternative investment sleeve in UBS-CAP.

Different strategies may accept only a limited type of investment restriction. For example, given the structure of most pooled investment vehicles, strategies utilizing mutual funds and/or ETFs can only accommodate restrictions on an individual investment vehicle. Restrictions you place on those Accounts will not flow through to the underlying securities owned by the pooled investment vehicles. **Similarly, in AAP restrictions do not flow through to the underlying holdings of pooled investment vehicles. Therefore, restrictions for mutual funds/ETFs in the FA-Discretionary sub-accounts can only be accommodated on individual investment vehicles.**

Accounts with investment restrictions may perform differently from accounts without restrictions and performance may be lower. To comply with your investment restrictions, we obtain and rely on information about company and industry classifications, credit ratings and industry groupings from third parties. The information we obtain and use for purposes of imposing restrictions may differ from information available from other sources and other areas within UBS. The category restrictions we offer may be overly or less inclusive, depending on the methodology used to define the categories for example, considering factors such as a company's direct/indirect involvement in an industry or activity or the proportion of a company's revenue derived from an industry or activity. Although we believe this information to be reliable, we do not independently verify or guarantee its accuracy. The change of the classification of a company, the grouping of an industry or the credit rating of a security may force UBS, your Portfolio Manager, Financial Advisor or the SMA Manager, as the case may be, to sell securities in a client's account at an inopportune time, possibly causing a taxable event to the client. In addition, due to corporate actions at an issuer, including but not limited to mergers, spin-offs and other types of reorganizations, new securities may be issued and/or certain securities will no longer exist following the corporate action and we may or may not restrict the security owned following a corporate action depending on the classification of those securities by the vendor.

Although your SMA Manager or Portfolio Manager is responsible
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for complying with the investment restrictions accepted for your Accounts if you have selected the POA for Limited FA Discretion Services option in UBS-CAP, we will periodically review your UBS-CAP Portfolio to determine whether such managers are complying with the restrictions.

Investment Restrictions for MAC Accounts. Clients in the MAC program must communicate investment restrictions directly to the MAC SMA Manager (unless we serve as your SMA Manager). It is also the client's and the SMA Manager's responsibility to monitor compliance with specific investment restrictions. Neither UBS nor your Financial Advisor will monitor such compliance. If you have selected the POA for Limited FA Discretion Services option in UBS-CAP, your Financial Advisor will communicate investment restrictions for your MAC Account to the MAC SMA Manager. In those instances and where our Portfolio Managers serve as your MAC SMA Manager, we will seek to comply with reasonable restrictions you place on your accounts and will review your MAC SMA Manager's adherence with such restrictions.

N. Investment Policy Statements

As an Advisory Account is generally only one component of an overall portfolio, we will not approve or otherwise monitor compliance with investment policy statements when provided in connection with the opening of Advisory Accounts in the Programs described in this Agreement, account conversions (for acquisitions) or otherwise. Except for UBS-CAP, the Advisory Programs covered by this Agreement do not offer investment policy statement services. In connection with these Advisory Accounts, including those covered by UBS-CAP, our review is limited to assessing whether your UBS-CAP Portfolio is consistent with your Investment Policy Guidelines at the broad asset class level (i.e., equity, cash, fixed income). We will not be responsible for ensuring that your investment policy guidelines and asset allocation choices comply with all specific legal, actuarial or other requirements that apply to you. That responsibility rests solely with you and you should consult with your legal and tax advisors regarding those matters.

O. Trade Confirmations; Statements and Performance Reporting

Trade Confirmations: We will send you confirmations of transactions and periodic statements for your Accounts. For the Discretionary, (for AAP accounts this applies to the SMA sub-accounts) SMA and UBS-CAP Programs, and the SMA Manager assets in your SWP and AAP Accounts, we offer the option of receiving your trade confirmations monthly instead of as the transactions take place. Simply select the option labeled "TRADE CONFIRMATIONS" on the Program Application. **Unless you provide different instructions, we will deliver your trade confirmations the same way for Advisory Accounts you establish now and in the future.** Choosing monthly confirmation delivery will waive your right to receive immediate trade confirmations for those Accounts and any future Advisory Accounts you establish with us and will instruct UBS to send immediate trade confirmations to your SMA Manager.

You are not required to select this option in order to participate or continue to participate in our Programs, nor will you pay additional fees if you choose to elect this option. You may change this instruction for all or individual accounts at any time by notifying UBS in writing.

All trade confirmations for Non-Discretionary Assets purchased or sold in your SWP Account, and for mutual fund and ETF transactions by your Financial Advisor in AAP will be sent to you immediately following the transaction.

Trade Confirmations for Automatic Transactions in the PACE

Program: Automated services in PACE include automatic rebalancing, purchases or redemptions. Trade confirmations for transactions resulting from those services will be provided with your monthly account statement. Monthly trade confirmations will also be sent for any sales made to pay the Advisory fees. You will not pay or incur additional fees by opting to receive monthly trade confirmations. You may change this instruction at any time by contacting your Financial Advisor. Changes will be effective with your next scheduled automatic service. For any other transactions effected in your PACE asset allocation outside of the automatic services, you will receive immediate confirmations following the transaction.

Performance Reporting: Currently, we send or make available to you an annual Performance Report summarizing your portfolio and value of your Account assets held at UBS. Subject to limited exceptions (such as relationships established through UBS-CAP), we do not provide Performance Reports for accounts where the assets are not in UBS' custody.

We use our best efforts to provide these reports in a timely manner, but availability may be delayed to ensure accuracy and completeness. Please review your Performance Report regularly and report any discrepancies to your Financial Advisor.

We will provide annual performance reporting for your Advisory Accounts. **You may, at your discretion, request quarterly or more frequent performance reports by contacting your Financial Advisor.** Accounts enrolled in a MAC-Eligible strategy and accounts enrolled in options overlay strategies will receive performance reporting on a quarterly basis instead of annual. This does not affect the MAC-Researched program. Accounts enrolled in a MAC-Researched strategy will continue to receive performance reporting annually.

Performance Reports use benchmarks for informational purposes only. Those comparisons relate to the historical performance of market indexes and not the performance of actual investments. The use of benchmarks for comparison purposes is not a promise or guarantee that your Account will meet or exceed the stated benchmark. The investment strategy in your Account(s) is not restricted to the securities in the benchmark. As a result, your portfolio holdings and performance may vary significantly from the benchmark. Indexes are not available for direct investment

and reflect an unmanaged universe of investments. It does not take into account Advisory or transaction fees, all of which will reduce the overall return.

For SMA strategies, we assign index benchmarks to those SMA Managers that we have researched, based on our understanding of their strategy, their investment style and our research. Those benchmarks are used for researched SMA Managers in ACCESS, AAP, MAC and SWP.

MAC Eligible strategies are assigned broad equity, fixed-income, or a blend of both broad equity and fixed income market indexes (e.g., S&P 500, Dow Jones, etc.) that are readily recognized, but cannot be used for direct performance comparisons against your Accounts and the SMA Manager's investment strategy.

The performance comparisons for SMA Managers may differ from those presented by your SMA Managers in their materials.

For Discretionary Programs, we assign comparative benchmarks to the strategies managed by Portfolio Managers in PMP, and Advice Portfolio. In AAP, performance reviews will illustrate a benchmark that is reflective of the account's Target Allocation.

For Non-Discretionary Programs: Performance Reports for Strategic Advisor accounts will illustrate the historical performance of broad equity and fixed income market indexes that are readily recognized, but given the non-discretionary nature of the program, are not intended for direct performance comparisons against your accounts. Depending upon the composition of your portfolio and your investment objectives, these indexes may not be an appropriate measure for comparison purposes and, as such, are represented for illustration only. In the PACE and SWP programs, performance reviews will illustrate a benchmark that is reflective of the Target Allocation for the account.

Although Ineligible Assets are not considered Advisory assets, the inclusion of such securities in your Accounts will impact the actual performance of the Advisory assets in your Account and may prevent us from providing the Performance Report to you until those assets are removed from the Account. Your Program Fee covers our performance reporting services. Your Program Fee will not be reduced or waived in connection with such requests.

Accounts with a negative value will not receive a performance review, for instance, certain specialized strategies that utilize margin or collateral from other accounts. Your Program Fee will not be reduced or waived in such circumstances.

We will not provide individual Performance Reports for your MAC, ACCESS or other Advisory program Account(s) if you participate in a consulting program for which you pay a separate fee for portfolio-wide performance analysis, such as our UBS Institutional Consulting Program. The option to suppress the performance reports for your individual Advisory Accounts and to have a tailored performance review is only available when your UBS Institutional Consulting Program consolidated reviews and agreement cover those accounts. The Program Fee you pay in the ACCESS, MAC and other Advisory Programs will not be reduced as a result of the

receipt of performance reporting services under the UBS Institutional Consulting Program.

Electronic Delivery of Program Documents; Shareholder Communications and Prospectus(es). This Advisory Relationship Agreement and all Accounts you establish under its terms are subject to the Electronic Delivery agreement in the Client Relationship Agreement (or other agreements governing your account) you signed with UBS. By signing this Advisory Relationship Agreement you confirm that 1) your Electronic Delivery elections apply to your Investment Advisory Accounts, and 2) your enrollment in electronic delivery of Shareholder Communications authorizes UBS Financial Services Inc. to electronically deliver all reports, disclosures and notices related to your Advisory accounts. Based on that authority, we will automatically enroll you in electronic delivery for your Investment Advisory accounts if you select the electronic delivery of Shareholder Communication option in your brokerage account agreement. **If you are enrolled in UBS Online Services, you may change your delivery preferences at any time by logging into UBS Online Services at: <http://www.ubs.com/edelivery>. You may also change your delivery preferences by contacting your Financial Advisor.** Please refer to the Client Relationship Agreement for additional information.

Documents related to Advisory Accounts will be delivered electronically when you enroll in electronic delivery of Shareholder Communications. The documents related to Investment Advisory Accounts include, but are not limited to, Form ADV disclosure brochures, account enrollment and change confirmations, manager profiles, asset allocations, performance reports, and other disclosures, reports and notices related to advisory accounts and your advisory agreement. These reports and notices contain information relating to your accounts and investments, such as account attributes, account profile, investment elections and preferences, investment strategy and fees. We may deliver documents relating to Investment Advisory Accounts as a link to a UBS website or as an attachment to an email. When sending attachments to emails, for your protection, we will exclude and/or mask certain personal information such as name, address, and account number. We may also include important notices, disclosures and updates relating to your investment Advisory Accounts in or with your monthly account statements or performance reports. Notwithstanding your electronic delivery enrollment, you may receive certain document in hard copy if materials are not available in electronic format, or at our sole discretion.

Custody/DVP Accounts: Generally, we require clients with Advisory Accounts to custody their account assets at UBS. As custodian, we will credit your account with dividends, interest and other earnings on securities in your Account, including principal paid on called or matured securities. We provide these custodial services to you at no additional charge. On an exception basis, we may occasionally accept certain accounts whose assets are in the custody of other financial institutions who meet the definition of a qualified custodian. Those accounts are referred to

as delivery versus payment ("DVP")^{4d Attachment 1} UBS-CAP, we may accept certain relationships that hold a limited portion of their assets in the custody of other financial institutions that meet the definition of a qualified custodian. However, we do not recommend doing so, for the following reasons:

- You will incur additional costs in excess of your Program Fee (for example, custody costs).
- Except for accounts enrolled in UBS-CAP, you will not receive a Performance Review from us. Billing for your Account, including the accurate processing of rebates if applicable, is the responsibility of your custodian, not UBS.
- Quarterly Fee Adjustments (explained in Billing Practices), do not apply to assets not custodied at UBS.

In addition, neither UBS nor Institutional Shareholder Services Inc. will act as proxy voting agent for DVP accounts in Discretionary Programs (for details, see *Proxy Voting, Corporate Actions, Class Actions and Other Related Events*).

All of the assets covered by UBS-CAP Agreement will be billed at the same UBS Investment Advisory Fee rate. If you decide to include assets held at other financial institutions in UBS-CAP, you will be paying for services that you are not utilizing as it pertains to those assets, specifically, custody, trading and execution. Your UBS Investment Advisory Fee will not be reduced as a result of additional costs you incur as a result of holding assets at other financial institutions. **You also agree to establish a cash account at UBS for billing purposes of these assets if applicable and requested by UBS.**

For DVP accounts, you agree to use only a "qualified" custodian that is a bank, a U.S. registered broker-dealer or futures commission merchant or a foreign financial institution and meets the definition of "qualified custodian" set forth in Rule 206(4)-3(c)(3) under the Investment Advisers Act of 1940.

Online Services: As a UBS Advisory Account client, you are eligible to use UBS Online Services (OLS) by agreeing to the terms and conditions of the OLS service. We do not charge additional fees or charges for use of this service while you are paying the Program fee for Accounts under this Agreement. If you close your Accounts or change to a commission-based account, UBS may charge separate fees to continue using this service.

P. Proxy Voting, Corporate Actions, Class Actions and Other Related Events

You have the option to elect to vote your own proxies, however, our Discretionary and SMA Programs permit you to delegate proxy voting authority. For assets invested in SMA Programs and the SMA sub-accounts of SWP and AAP, you may delegate proxy voting authority to your Separately Managed Account (SMA) Manager. For assets invested in Discretionary Program and custodied at UBS, and in the case of AAP the FA-Discretionary sub-accounts, you may delegate proxy voting authority to Institutional Shareholder Services Inc. ("ISS"), a proxy voting service we have engaged and made

available to you. ISS will not act as proxy voting agent for DVP accounts.

You may not delegate proxy voting authority to UBS or any of its employees. Neither your Financial Advisor nor UBS will exercise voting discretion or have input regarding voting decisions made on your behalf for the securities held in our Programs or assets you hold at UBS or at other financial institutions. We will not vote or provide any advice about the voting of proxies solicited by, or with respect to, legal proceedings, including bankruptcies and class actions, relating to securities in those Accounts, or their issuers, except to the extent required by law.

We ask you to provide these instructions when you establish your first Advisory account under the relationship Agreement. We will apply your preferences (where those features are available) to all Advisory accounts established under this Agreement, unless you provide different instructions for specific accounts.

For Discretionary Programs, if you designate ISS or another Proxy Voting Agent, the Proxy Voting Agent will serve as your agent and attorney-in-fact to receive and vote all proxy and will be responsible for voting on matters requiring a proxy vote for the securities held in your Account, or in the case of AAP, the securities held in the portion of your account managed by your Financial Advisor, in accordance with its proxy voting guidelines or other proxy voting guidelines to which you and your Proxy Voting Agent agree. ISS will vote proxies in your Discretionary Accounts based on its Benchmark U.S. Voting Guidelines. If assets are not custodied at UBS (DVP accounts), proxy materials are sent to the clients and clients are responsible for voting proxies for these assets.

A summary of ISS' Proxy Voting Guidelines, ISS' Form ADV Part 2A and the complete Proxy Voting Guidelines Benchmark Policy Recommendations are available at ubs.com/advisorydisclosures. UBS will pay ISS fees and expenses related to proxy services, but not those of any separate Proxy Voting Agent you engage. UBS reserves the right, at our discretion and in accordance with this Agreement, to designate a different independent Proxy Voting Agent to act as your agent and attorney-in-fact to vote proxies for your Account and to pay for such proxy service related fees and expenses.

ISS will not vote in the following circumstances: (a) the securities are no longer held in your Account; (b) assets are not held at UBS; or (c) the proxy or other relevant materials are not received in sufficient time to allow an appropriate analysis by the proxy service provider or to allow a vote to be cast by the voting deadline. In addition, ISS generally does not make recommendations, and will not vote proxies in respect to bankruptcies and class actions, limited partnership or bond issues, preferred stock, and certain foreign securities, if voting may cause the sale of the security to be prohibited under foreign law for a period of time, usually the time between the record and meeting dates ("share blocking").

Also, ISS will not vote or advise you on corporate actions, like tender offers, which do not require a proxy or are not solicited via a proxy. Those materials will be forwarded to you. Neither we nor your UBS Portfolio Manager will be authorized to respond to such correspondence or advise you on actions you should take.

UBS-CAP: Proxy voting for Advisory Accounts enrolled in UBS-CAP will vary based on the terms of the Advisory Program(s) selected.

PACE/Strategic Advisor/SWP Non-Discretionary Assets: UBS-CAP Alternative Investments: You expressly retain the right and obligations to vote any proxies relating to the securities held in your PACE and Strategic Advisor Account, as well as for your SWP Non- Discretionary Assets, and alternative investments in UBS-CAP but you may delegate these rights and obligations to a properly authorized agent.

SMA Programs/Discretionary Programs/SMA Managers in SWP and AAP: By signing this Agreement, you designate (as relevant given your Advisory Program selection) your SMA Manager or for Discretionary Programs, ISS, to receive and vote all proxy and related materials for securities held in the Advisory Accounts or sub-accounts they manage on your behalf. **Unless you provide different instructions, we will apply your proxy-related preferences to all Advisory Accounts you establish under this Agreement, assuming your preferences are available in each program. You may change your preferences at any time by notifying us in writing.**

When you delegate proxy voting authority to your SMA Manager, they will vote on matters requiring a proxy vote for the securities held in your Account/sub-account. Your SMA Manager will also vote on other corporate actions, like tender offers, which do not require a proxy or are not solicited via a proxy.

Neither UBS, your Portfolio Manager or your Financial Advisor exercise voting discretion or have input regarding voting decisions made on your behalf for the securities held in your Discretionary Program account.

Your proxy-related preferences do **not** apply to class action lawsuits, legal proceedings and bankruptcy proceedings involving an issuer whose equity or debt securities held in your Accounts, even if you delegated proxy voting authority to us or your SMA Manager. Correspondence related to such lawsuits will be mailed to you directly and will be your responsibility (except as noted below regarding class action claims filing service).. Neither UBS, the SMA Manager, nor your Financial Advisor will respond to such correspondence.

Securities Class Action Claims Filing Service: Financial Recovery Technologies LLC (FRT), an unaffiliated third-party service provider to UBS, provides class action recovery solutions for eligible UBS clients. To enroll in the service, eligible clients must sign a separate enrollment agreement and appoint FRT as their agent for class action purposes. Neither UBS nor FRT provides legal advice. When clients

are enrolled in the service, FRT will monitor the client's eligibility to participate in covered lawsuits and will automatically file claims with administrators. Any recoveries are paid to UBS and credited to client accounts. Clients are not charged for this service; the fee is paid for by UBS. This service is not part of our advisory programs and we do not act in an advisory capacity when making this service available to you.

Securities of Non-US Issuers: If your Account contains securities issued by a non-US issuer, unless you, your SMA Manager or the issuer have made other arrangements with us specifically with regard to such securities, or to the extent required by applicable law, we are not obligated to distribute issuer communications to you or your Proxy Voting Agent (including your SMA Manager or ISS). Pursuant to the Shareholder Rights Directive II (Directive EU 2017/828), and the related Implementing Regulation and national laws (together, "SRD II"), UBS, in its capacity as an intermediary, may be required to distribute communications from issuers that have their registered office in an EEA member state and the shares of which are admitted to trading on a regulated market situated or operating within an EEA member state. UBS may distribute such communication and facilitate the exercise of certain shareholder rights, including the right to participate and vote in general meetings of such issuers, through a third party service provider. If you hold securities covered by SRD II, you will need to enroll in our e-delivery service for shareholder communications to ensure you receive information about upcoming meetings and have access to our proxy voting service. Under SRD II, we may also provide information to these issuers regarding the identity of shareholders of their securities in response to a valid request by that issuer. UBS will have no liability to you for actions taken, or not taken, by UBS or its agents in good faith and intended to comply with any provisions of SRD II.

Limitations of Authority: We have no authority, direct or implicit, and accept no responsibility for taking any action or rendering any advice with respect to the voting of proxies related to securities held in your SMA Accounts or sub-accounts. Our obligations with respect to any such solicitation are limited exclusively to forwarding, within a reasonable period of time, to your SMA Managers any materials or other information received by us with respect to such solicitation.

Proxy Voting Policies: Copies of ISS' and your SMA Manager's proxy voting policies and procedures are available to you upon request. We will also provide specific information as to how proxies for your securities were voted upon your request. Some of the information, format and period covered by the proxy reports will vary depending on the individual investment manager's policies and procedures. **Please contact your Financial Advisor to request this information.**

Proxy Voting in our Capacity as a Broker-Dealer: Except for ERISA Plans and Individual Retirement Accounts, if we forward proxy materials to you or your SMA Manager, as applicable given the Program you selected, but we do not receive voting instructions from you (or from your SMA Manager) within the designated time

frame, we will, in our capacity as a Broker-Dealer, vote these uninstructed shares in proportion to the voting instructions we have received from our brokerage clients on "routine" ballot items under the rules of the New York Stock Exchange, or as otherwise permitted under such rules. We may in some circumstances decide not to vote the uninstructed shares, however, upon request from an issuer or other party, or where casting a vote as described above would have the unintended consequence of impacting the voting results on "non-routine" ballot items. See "Fees related to shareholder communications" under Additional Compensation below for a description of fee received by UBS in connection with the distribution of shareholder communications.

Q. Principal and Agency Cross Transactions in Your Accounts

Our Advisory Programs do not offer the ability to conduct principal trades. As such, in these Accounts, you may not hold, purchase or sell securities which only trade on a principal basis. Access to principal trade execution in Advisory Accounts is limited to tax loss sales in worthless securities in all the Programs.

As your SMA Manager deems appropriate, SMA Managers typically direct purchase and sale transactions for your Accounts to UBS for execution on an unsolicited basis. UBS may act as your agent or as principal for its own account in these transactions, when permitted by law, and may execute "principal transactions" for its own account if it is not acting as your investment adviser in that transaction. This means that we can execute those types of transactions in connection with the liquidation of securities in a brokerage account in order to establish your Program Accounts or the liquidation of illiquid securities following termination of the Program Accounts.

Your SMA Manager may direct transactions to other broker-dealers if best execution obligations so require. However, since your Program Fee covers the cost of executing trades, your SMA Manager may find that executing trades with UBS is often the most favorable trading option for your Accounts. In accordance with Section 11(a) of the Securities Exchange Act of 1934, we may use an affiliated or unaffiliated broker to execute certain transactions for your Account on the floors of national or regional securities exchanges. When you sign this Agreement, you authorize us to make these trading arrangements when necessary and to retain any additional compensation that is earned on these transactions.

There may be instances when we or an affiliate will have an opportunity to act as agent for both buyer and seller in a securities transaction. This is called an "agency cross." We believe that it is to our clients' advantage to do agency crosses in appropriate instances. Since UBS generally receives compensation from each party to an agency cross transaction, there is a potential conflict between our responsibilities and loyalties to you and the other party to the transaction. When you sign this Agreement, UBS has permission to make agency cross transactions for your Accounts when we consider them advisable. You may revoke your consent at any time by notifying us in writing.

You understand that all trading done in your Account is at your

risk and that investment performance of any kind can never be guaranteed.

When acting for our own account in a trade with you, there are several potential conflicts of interest that arise. UBS and our affiliates maintain inventories and make a market in certain securities that we can buy from or sell to you on terms that generally are as favorable or sometimes more favorable than could be obtained elsewhere. In some cases, it may be difficult to obtain the securities you wish to buy, such as certain municipal securities from other sources, or to obtain a buyer for those securities when you wish to sell them. For these reasons, it may be to your advantage to buy them from or sell them to us. However, these possible advantages may be outweighed by the disadvantages and conflicts of interest described below.

We and our affiliates may earn a profit whenever we engage in principal transactions with you, and depending on the type of security, we may include a profit margin in the price we pay or charge you by marking up or marking down the price of the security. The mark-up or mark-down is not shared with your Financial Advisor.

The profits we or our affiliates earn on these transactions will be in addition to the fees you pay us under the Advisory Program for investment advice, brokerage, custody and other program services. As a result, principal transactions present a conflict between your interests and our interests and those of our affiliates, because we have a financial incentive in these transactions.

When we execute a principal transaction for your account, it is possible that better prices or other terms for the trade could be obtained from alternative sources which are not known to UBS. Since there may be securities offered by other dealers to only their clients, you may not be able to compare the price on securities offered by these dealers to those offered by UBS.

We seek to address these conflicts as follows: (1) we have an obligation to provide you with best execution, and we believe we can provide best execution to you by routing certain orders to our affiliate, UBS Securities LLC, for execution on a principal basis; (2) we monitor our execution services and measure how we meet our best execution obligation by taking into account many factors, including the degree to which our affiliate, UBS Securities LLC, executes principal trades in client accounts and, specifically, the pricing and service quality that we receive in connection with principal trades versus the costs associated with foregoing a trade (if UBS is the only dealer in a security) or executing on an agency basis through another dealer; (3) although we are not required to waive or offset our compensation under applicable rules or regulations, for certain security types such as new issue fixed income securities, we may waive some of the compensation we earn in effecting principal trades or waive the wrap fee imposed on your Account for a period of time as an offset for other compensation we receive.

Our ability to act as principal in a transaction with you may be limited or restricted by other applicable law, and nothing in this Rev. 04/22

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Agreement requires that we act as principal in a transaction. In addition, we may act as principal in a transaction with you apart from the circumstances described in this Section where we are not acting as investment adviser in relation to the transaction or, if we are, where we disclose to you in writing before the completion of the transaction the capacity in which we are acting and obtaining your consent.

R. Data Downloads

To service and reconcile your Discretionary, SMA or Unified Account efficiently, we automatically provide your SMA Managers and sub-advisors with copies of the confirmations for trades they place in the Accounts they manage for you, unless you instruct us otherwise in writing and you elected to receive immediate trade confirmations for your account. Upon request by your SMA Managers, we provide copies of your trade confirmations and SMA or Unified Account statements. From time to time, your SMA Managers and sub-advisors may request that we provide them with a data download of all transactions they effected on your behalf in order to reconcile your Account. We consider your selection of the SMA Managers and sub-advisors for your Accounts and your continued participation in the program as your consent to our providing that data and copies of your trade confirmations and account statements.

S. Best Execution

We provide SMA Managers and employees who manage assets in our Discretionary Programs with a trading system to administer, maintain, reconcile and place orders with UBS for Accounts managed in our Programs.

Your SMA Manager has the option to trade through us or with other financial institutions, in accordance with the manager's obligation to achieve best execution on all trades for your Account. Although we do not require your SMA Manager to use our trading systems to participate in our Programs, doing so streamlines trading and may encourage an SMA manager to place trades for Program Accounts with UBS instead of with other financial institutions. Your SMA Manager typically will place transactions through UBS on an unsolicited basis, as your manager deems appropriate.

Third party investment managers in meeting their requirements around best executions may determine that this can only be achieved by executing order flow for UBS managed accounts away from UBS trading platform, and then having the executing broker "Step Out" the transactions to UBS for clearance & settlement purposes. The Program Fee covers the costs of trades executed with UBS but not the costs of trades executed elsewhere. We refer to trades on which we are not the executing broker as "step out trades." These transactions are generally traded from broker to broker and are usually cleared net, without any commissions. However, under certain circumstances, if your SMA Manager trades with another firm, you may be assessed commissions or other trading related costs (for example, mark-ups) by the other broker-dealer which

are embedded into the price of the security allocated to your Account. Those fees are in addition to your Program Fee. For this reason, your SMA Manager may find that placing your trades with UBS is often the most favorable trading option for you. However, your SMA Manager may direct transactions to other broker-dealers (for additional fees or sometimes, commissions) if your manager decides that its best execution obligations so require. Some managers have historically directed 100% of their trades to outside broker-dealers. UBS requests from SMA Managers information regarding step-out details at least annually but typically in the first quarter of each year. UBS relies upon the information provided by our SMA Managers in an annual client disclosure notice regarding step-outs.

Your SMA Manager is responsible for meeting its best execution obligations to you, and to ensure that any additional commissions or mark-ups assessed to you when they decide to step-out trades to other broker-dealers are consistent with their best execution obligations. **If your SMA Manager will not be executing transactions with UBS, our SMA programs may not be an appropriate option if your SMA Manager does not take action to ensure that you do not incur additional costs. We recommend that you review the manager's trading for your Account carefully. UBS does not analyze or evaluate whether your SMA Manager is meeting its best execution obligations on trades executed for your Account.**

Non-discretionary transactions in the SWP Program: All Account changes, including transactions in Non-Discretionary assets, are subject to a systematic administrative review to ensure consistency with your Target Allocation. We will also ensure that any required paperwork is complete. As a result, transactions are not executed until after the administrative review is completed and allocation changes may take several days to fully implement. Because prices fluctuate during the trading day, the prices you receive at the time the orders are executed may be better or worse than the prices at the time you authorized the changes to your account.

Discretionary transactions in the UBS Advice Portfolio Program and the Advisor Allocation Program: All strategy and risk category changes within the UBS Advice Portfolio Program are subject to a systematic administrative review. This review also applies if you change your risk tolerance for your Advisor Allocation Program account, which may require changes to your Target Allocation. We will also ensure that any required paperwork is complete. As a result, transactions are not executed until after the administrative review is completed and strategy or allocation changes may take several days to fully implement. Because prices fluctuate during the trading day, the prices you receive at the time the orders are executed may be better or worse than the prices at the time you authorized the changes to your account.

Transactions in PMP and AAP: Financial Advisors have broad discretion to trade their PMP Advisory Accounts and there can be no assurance that a Financial Advisor can purchase or sell the same

securities for all such Accounts at the same time. In the Financial Advisor will aggregate your orders with those of other clients and charge an average price per share or unit and, when applicable, a pro-rata share of any fees. As a result, you may receive different prices and executions for the same securities as compared to other clients investing in the same PMP strategy. In addition, although we monitor performance dispersion and other characteristics of Accounts participating in PMP, investment opportunities will not necessarily be allocated among participating Accounts proportional to their overall amount invested.

Financial Advisors in the AAP Program process transactions and reallocations for accounts through an administrative system that evaluates each account for consistency with its Target Allocation and adherence to program guidelines. The system generates orders for ETFs and mutual funds, and sends account instructions to SMA managers for any SMA sub-accounts. Financial Advisors in AAP may use templates, or models, that enable them to process account changes and reallocations for multiple accounts with the same Target Allocation and investments at the same time. However, due to limitations in the trading system used to execute orders in ETF shares, each Financial Advisor will not be able to place trades in ETF shares for individual client accounts at all times during the trading day. Accordingly, purchase and sale orders in ETF shares placed by Financial Advisors on behalf of unrestricted, discretionary accounts enrolled in the Advisor Allocation Program will be executed on an aggregated basis during intervals each trading day, generally expected to be approximately four times each trading day. Although this interval trade execution process may mean that an individual client may not receive the very best execution of each and every trade in ETF shares, This process is designed to ensure that clients are treated equitably and fairly under the circumstances over time. We will monitor this interval trading to ensure it produces fair treatment to and does not systematically disadvantage, clients over time. Given this limitation, and because Financial Advisors have broad discretion to manage their AAP Advisory Accounts, there can be no assurance that a Financial Advisor can purchase or sell the same ETFs for all such Accounts at the same time, or that orders for the same ETFs will be aggregated and receive an average price, and, when applicable, a pro-rata share of any fees. As a result, you may receive different prices and executions for the same ETFs as compared to other clients following the same Target Allocation. In addition, ETF investment opportunities will not necessarily be allocated among participating Accounts proportional to their overall amount invested.

We will process the transactions described above unless market conditions, technology failures, trading volumes or other matters beyond our control preclude us from accurately processing on the specified dates. In those circumstances, we will process the transactions as soon as practicable.

Order delays can create system capacity challenges for UBS FSI and other market participants to which UBS FSI routes orders. As a result, clients may suffer market losses during periods of volatility in the price and volume of a particular security when systems problems result in the inability to place buy or sell orders.

T. Using your Advisory Account Assets to Collateralize a Margin Loan in a Brokerage Account or Non-Purpose Loans and Using Margin as Part of Your Advisory Account Strategy

You may choose to engage in leverage strategies involving the assets in your eligible non-retirement, non-custodial accounts. Margin is generally not recommended or permitted in advisory accounts. However, we may from time to time, approve margin on an exception basis when requested by a client or for use in specialized strategies available in our advisory programs. You may also use certain managed account assets to collateralize margin and purpose loans in your brokerage account or loans referred to as credit line loans below. Certain accounts in Strategic Advisor may use margin upon request.

You must meet certain eligibility requirements and complete loan documentation prior to using margin or purpose loans in your advisory account or applying for a UBS Credit Line Loan. Specifically, you will be required to execute a separate margin agreement with us or loan documents with UBS Bank USA or UBS Credit Corp.

Margin and Purpose Loans. Using margin or purpose loans in an Advisory Account or using the advisory assets as collateral for margin used in another account is a more aggressive, higher risk approach to pursuing your investment objectives. Before you decide to use margin or purpose loans in your managed account or to use such assets as collateral for margin or purpose loan, you must carefully consider:

- whether or not you can afford, and want, to assume the additional risks that losses in your account may be significantly greater than if you decide not to invest with borrowed funds (i.e., not to use leverage).
- that the use of leverage will increase your costs of investing, as well as your risks, and depending upon the return achieved through the use of margin or purpose loans, may make your investment objectives more difficult to realize.
- If we provide a margin or purpose loan to you, you will pay us interest on the outstanding loan balance. Since the wrap fee is calculated as a percentage of assets under management, the use of margin or purpose loans to purchase securities in a managed account generally will increase the amount of (but not the percentage of) the wrap fee that you pay to us. This will result in additional compensation to us, the Financial Advisor and your selected investment manager.
- Financial Advisors do not receive any portion of the interest paid to us; however, Financial Advisors meeting a minimum length of service period (generally 24 months) receive credit for the amounts of the margin loan drawn as of December 31st for purposes of bonuses, awards, and club status, but not for purposes of increases in the grid rate.

The decision to use leverage in a managed account or use

those assets as collateral rests with the Accountant and should only be made if you understand:

- The risks of margin and purpose loan borrowing and the impact of the use of borrowed funds on a managed account
- How the use of margin and purpose loans may affect your ability to achieve investment objectives.
- **You may lose more than your original investment.**
- A positive or negative performance of a leveraged managed account, net of interest charges and other account fees, will be magnified by virtue of using borrowed money. As a result, gains or losses in a leveraged managed account will be greater than would be the case with an unleveraged managed account.
- **You will not benefit from using leverage in an Advisory Account if the performance of your account does not exceed the interest expense being charged on the loan plus the additional advisory account fees incurred by your account as a result of the deposit of the loan proceeds.**

Credit Lines. You also may apply to borrow money from our affiliates, UBS Bank USA or UBS Credit Corp., using an eligible securities account. These eligible securities accounts may include one or more of your advisory accounts, which may be used as collateral pursuant to the UBS Credit Line Program. Credit line loans are either non-purpose or purpose loans. Non-purpose loans may not be used to purchase, trade or carry securities and may be used for other liquidity needs such as personal expenses, real estate transactions, or other needs. However, non-purpose proceeds may be used (i) on an exception basis when requested by a client, to invest in select private equity funds or other non-purpose margin stock (for example floating rate notes) and (ii) be used to purchase precious metals (for example gold), which may result in Financial Advisor compensation on both the non-purpose loan and the use of loan proceeds. Purpose loans may be used to purchase, trade or carry securities or may be used for other liquidity needs such as personal expenses, real estate transactions, or other needs. Please review your loan agreement to make sure you understand which type of loan you have and that you ensure you are in compliance with its terms. In order for an Advisory Account to be eligible to serve as collateral for a credit line loan the Advisory Account may not also serve as collateral for any margin lending. You are responsible for independently evaluating if the loan is appropriate for your needs, if the lending terms are acceptable, and whether the loan will have potential adverse tax or other consequences to you. Your decision whether to arrange a loan or draw down on your loan and how you use your loan proceeds is not encompassed within our advisory relationship. The lending relationship is governed exclusively by the Credit Line Agreement between you and UBS Bank USA or UBS Credit Corp, and any interaction you have with your Financial Advisor in connection with applying for or obtaining a credit line is in his or her capacity as broker, not as an investment adviser.

If you wish to collateralize a credit line loan with an advisory account, we will automatically discontinue the margin for that Account. Since your Advisory Account will be pledged to support any loans extended

under the UBS Credit Line Program, you will not be permitted to withdraw any of the assets in the Account unless there is a sufficient amount of collateral otherwise supporting the loans (as determined by UBS Bank USA or UBS Credit Corp. in its sole discretion).

If you participate in the UBS Credit Line Program, you will pay interest to UBS Bank USA or UBS Credit Corp. separately and in addition to any Advisory Account Program Fees paid to UBS. The interest rate charged in connection with a credit line loan from our affiliates may be higher than that charged by other lenders. UBS Bank USA pays to UBS a servicing fee based on the amount of outstanding loan balances, irrespective of the type or level of interest rate, to compensate UBS for referring clients and for administrative and operational support relating to the loan. In the event you maintain a loan balance on a non-purpose loan, your Financial Advisor will receive compensation primarily based upon the outstanding balance and the corresponding spread on the loan. This provides an incentive for your Financial Advisor to refer you for a non-purpose loan and to draw down on the loan. In certain circumstances, the loan approval amount may determine whether your Financial Advisor is eligible for compensation, but even in those circumstances compensation paid to your Financial Advisor depends on the outstanding balance. Your Financial Advisor does not receive any portion of the interest or fees paid to UBS Bank USA or UBS Credit Corp on a purpose loan; however, Financial Advisors meeting a minimum length of service period (generally 24 months) receive credit for the amounts of the purpose loan drawn as of December 31st for purposes of bonuses, awards, and club status, but not for purposes of increases in the grid rate.

Moreover, as UBS and your Financial Advisor are compensated primarily through advisory fees paid on your Account, we (and your Financial Advisor) benefit if you draw down on your non-purpose loan to meet liquidity needs rather than sell securities or other investments in your Account, which would reduce our advisory fee. A draw down would preserve your Financial Advisor's advisory fee revenue and generate additional loan-related compensation for him. This presents a potential conflict of interest for your Financial Advisor when addressing your needs for liquidity. UBS mitigates this potential conflict by training and supervising Financial Advisors to make investment decisions that are in your best interest.

Our affiliates will have a lien on assets in your Account to secure a credit line loan, which creates a potential conflict of interest with respect to the management of your Account. Specifically, in order to preserve sufficient collateral value to support the loan and avoid a margin call, depending upon your leverage, a Financial Advisor may be inclined to invest your Account in more conservative investments, which may result in lower investment performance than more aggressive investments (depending on market conditions). We mitigate this risk by requiring and monitoring to ensure that your Account is managed consistent with your respective investment strategies. In addition, where a loan is secured by both brokerage and advisory assets, a Financial Advisor will benefit if your brokerage assets are liquidated prior to or instead of your advisory assets because he would then be able to maintain advisory fee revenue.

Defaults

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- Margin and Purpose Loans: Margin and purpose loans are full recourse, demand loans and clients may need to deposit additional cash or collateral or repay part or all of the margin loan if the value of the portfolio declines below the required loan-to-value ratio. We may demand repayment at any time. You are personally responsible for repaying the loan in full, regardless of the value of the collateral.
- Credit Lines: Likewise, credit line loans extended under the UBS Credit Line Program are full recourse demand loans and are "margin loans" subject to collateral maintenance requirements. UBS Bank USA or UBS Credit Corp. may demand repayment at any time. If the required collateral value is not maintained, UBS Bank USA or UBS Credit Corp. can require you to post additional collateral (commonly referred to as a "margin call"), repay part or all of your loan and/or sell your securities. You are personally responsible for repaying the Credit Line in full, regardless of the value of the collateral.

Failure to promptly meet a request for additional collateral (a margin call) or repayment or other circumstances (e.g., a rapidly declining market) could cause us, in the case of margin loans, or our affiliate, in the case of credit lines, and in our discretion, to liquidate or instruct us to liquidate some or all of the collateral account or accounts to meet the margin loan or credit line requirements or to repay all or a portion of the outstanding margin or credit line obligations. It is possible that neither you nor your Financial Advisor will be provided advanced notice of a liquidation of securities that you have pledged as collateral. Furthermore, neither you nor your Financial Advisor may be entitled to choose the securities to be liquidated. Depending on market circumstances, the prices obtained for the securities may be less than favorable. When securities are forcibly liquidated pursuant to a margin call or demand for full or partial repayment of the loan, either UBS Bank USA or UBS Credit Corp. will liquidate or instruct UBS to liquidate (in its capacity as a broker-dealer) some or all of the collateral account(s). UBS will benefit if your brokerage assets are liquidated prior to or instead of your advisory assets because UBS would then be able to maintain advisory fee revenue. However, UBS follows procedures, agreed upon with UBS Bank USA and UBS Credit Corp., relating to such liquidations to address and eliminate this potential conflict by prioritizing the position(s) with the most exposure and highest maintenance requirement, irrespective of which account type holds such securities.

Any required liquidations may result in adverse tax consequences. UBS, our affiliates and employees do not provide legal or tax advice. You should consult your legal and tax advisors regarding the legal and tax implications of margin borrowing and using securities as collateral for a loan.

When you sign this Agreement, you authorize your SMA Manager and UBS to maintain in your Account such positions and margin as required by all applicable statutes, rules, regulations, procedures and customs or as we deem necessary or advisable, and where applicable, to satisfy any and all margin calls issued in connection with the account.

Neither UBS, our affiliates nor our Financial Advisors will act as investment adviser to you with respect to the liquidation of securities held in an advisory account to meet a margin or purpose loan call or credit line loan demand. In addition, as creditors, we and our affiliates may have interests that are adverse to you. Our affiliated lenders have the right to protect their own commercial interests and take actions that adversely affect the management of your Account and related performance. Additional limitations and availability may vary by state. Those liquidations will be executed in our capacity as broker- dealer and creditor and may, as permitted by law, result in executions on a principal basis in your Account.

Securities backed financing involves special risks (including, without limitation, being subject to a margin call if certain collateral value requirements are not met) and is not suitable for everyone. For further information, please see the UBS Financial Services Inc. Loan Disclosure Statement, which is available from your Financial Advisor. Please speak with your Financial Advisor about how your Account may be used in connection with a credit line loan and how the loan should be taken into consideration when discussing the management of your Account.

We can exercise our rights for a variety of reasons, including (i) in accordance with our general policies on margin maintenance requirements then in effect; (ii) if we consider it necessary for your or our protection; (iii) in the event a petition in bankruptcy, or for the appointment of a receiver, is filed by or against you; (iv) an attachment is levied against any account you have with us; or (v) in the event of your death or dissolution (if an entity).

We may make those sales or purchases on any exchange or other market where such business is usually transacted, or at public auction or private sale, and we may be the purchaser for our own account. In those transactions, we will be acting as broker, not your investment advisor. Depending on market conditions, we may profit from the future sale of those securities. We are not responsible for losses you incur if we sell your holdings, regardless of whether we notified you or your SMA Manager of a margin call giving rise to such sale.

You are personally responsible for repaying the margin loan or credit line in full, regardless of the value of the collateral.

We may amend the requirements applicable to your margin account at any time, including changing the level of credit available to you and applicable maintenance requirements. It is understood that a prior demand, or call, or prior notice of the time and place of such sale or purchase will not be considered a waiver of our right to sell or buy without demand/or notice as provided in this Agreement.

U. Program Fees

We will provide you with a proposal that includes your Program Fee

or, when we accept the accounts **4d Attachment 1** with us, we will send you written confirmation of the Program Fee for each Account. Payment of your Program Fee will be reflected on the monthly account statement of the account that is paying the fee. If payment is made through this Account. You authorize UBS to deduct your Program Fee from your Account, on or after the due date. Program Fees are deducted from your account unless you have designated another eligible UBS account to pay the Program Fee or you elect to have your fee invoiced (invoicing is available only to ERISA accounts all other account ownership types are not eligible). If you direct us to automatically debit your Program Fees from another UBS account, (referred to as a "Bill To" account), at the time billing is processed, we will confirm that the other UBS account has sufficient funds to cover your Program Fee. If that account does not have sufficient funds, we will debit your investment Advisory Account for those fees. IRAs and ERISA Qualified Plans cannot pay the managed account fees for another account. Failure to maintain sufficient funds to satisfy the Program Fee from the other account you designated may result in loss of the feature and deduction of the Program Fee directly from your Program Account. Your account will revert back to a direct debit status. In addition, the authorization to bill the other account will be terminated and your Advisory Account will revert back to direct debit status if there is a change to the title of Bill To account, if withdrawals from the Bill To account can no longer be made without the consent of another party, or the Bill To account is no longer eligible or is terminated. There may be tax consequences associated with the selection of a Bill To account to pay the advisory fees of another account, and, therefore, you should discuss this option with your tax adviser.

If your account is subject to ERISA, as amended, you may elect to be invoiced for fees. If we do not receive full payment of the fee within the time stated on the invoice, we will automatically deduct any remaining balance from your account. Failure to pay invoices in a timely manner may result in a loss of the feature. Your Account will revert back to a direct debit status. **IRA accounts may not elect the invoice feature.**

The Programs described in the Brochure except for CAP Select charge a "wrap fee" at the maximum annual rates listed in the fee schedules listed in the Form ADV Brochure. The total Program Fee that you pay in the Programs described in this brochure covers:

- The UBS Investment Advisory Fee investment advice and consulting services of UBS and your Financial Advisor
- trading, execution and settlement for trading through UBS
- Custody at UBS
- performance reporting for accounts custodied at UBS and related account services that we provide to you
- depending on the program that you select, may include portfolio management as well.
- If applicable, given your Program selection, the total Program Fee includes the SMA Manager Fee

CAP Select is an advice-only program in which the fee you pay is solely for the investment advice and performance reporting

provided in the Program. Custody, trading and execution fees are not applicable or assessed in this Program.

Because our Programs are investment advisory programs, you should not enroll in our Programs in order to obtain ancillary services such as custody, trading and execution, or assume that you will receive any particular benefit from the availability of those services in the Programs. For example, depending on the circumstances, Program Accounts may have low or no trading (such as may be the case with a "buy and hold" strategy) or the securities or other investments traded might not typically incur commissions or other transaction-based charges (such as can be the case with some fixed income securities and mutual funds). Moreover, other broker-dealers offer custody and trade execution services on discounted or complimentary basis.

The UBS Investment Advisory Fee, SMA Manager Fees (or Premium Services Fees) and overall Program Fee for your Account(s) may change over the course of your relationship with us. The Program Fee for an Account may be changed either by sending you prior written notice of the change, or by obtaining your prior verbal consent which we will confirm in writing for your records when the fees are increased and decreased. The fee change generally will be effective for the next quarterly billing cycle. Your continued use of our services will constitute your agreement to the change.

The ACCESS, Managed Accounts Consulting and Portfolio Management Program offer the flexibility to negotiate either a flat-fee or a tiered (break- point) fee schedule.

Flat Fee Option: the agreed-upon annual fee is a fixed percentage of the assets in the Account; that percentage does not change as the value of your Account changes. **Tiered (Break-point) Fee Schedule:** , the negotiated fee, also a percentage of the assets, varies based on asset levels and changes as you increase or decrease assets in your account. Specific "break- points" for each asset level are defined in the Application. (See Relating Accounts for Billing Purposes, below for additional information.

Fees as well as other Account requirements vary as a result of the application of prior policies depending on when your account was first opened. Fees for certain Advisory services are reduced for our employees, certain family members or employees of our affiliates. We reserve the right to change those fees upon termination of employment with the firm.

Allocation changes or switches among advisory programs for IRA and Qualified Plan accounts and new retirement advisory relationships will be required to have a level fee structure if they cannot be determined to be consistent with your financial plan or otherwise in your best interest.

Program Fees are expressed as an annual rate that is prorated for the quarterly or other billing period and is applied to the asset value of the Account. For billing purposes, asset value means the total fair market value of the eligible securities in your account, including, where applicable, the value of margin loans, dividends

and accrued interest.

Program Fee Billing for Option Overlay Strategies

Generally, Program Fees for investment advisory accounts are calculated based on the value of eligible assets in your Account. As the value of the assets in your Account changes due to appreciation, depreciation, contributions or withdrawals, those changes impact the actual Program Fee charged on the Account. The billing practice for Option Overlay Strategies is different from the standard process described in the Advisory Relationship Agreement and Form ADV. In order to enroll in an Options Overlay Strategy, you will be required to select a "Mandate" for the Strategy. The Mandate amount is the amount of collateral you are willing to put at risk. For example, you have accounts with \$10 million in assets and decide to commit \$3 million out of the \$10 million as collateral for the Options Overlay Strategy, the Mandate amount is therefore \$3 million.

Unlike other advisory strategies where your Program Fee is typically determined on the value of eligible assets in an account, billing for Option Overlay Strategies is based on the Mandate amount of the strategy (which in the above example, is \$3 million). However, the Option Overlay Strategy account may have significantly less than \$3 million in actual asset value (the value of the options/puts/cash in the account). While the actual value of assets in your account will fluctuate over time, the Mandate remains constant unless you change it by notifying your Financial Advisor or UBS FS lowers the Mandate. In cases where UBS lowers the Mandate, we will notify you in writing of the change. Depending on the value of your Options Overlay account, this practice of billing on the Mandate amount will result in higher compensation to UBS FS, your UBS FS Financial Advisor, and the strategy manager than if the Program Fee was based on the value of eligible assets in your YES Strategy account or other Option Overlay Strategies in MAC.

Number of Contracts and Market Exposure: YES and other Options Overlay Strategies employ a varying number of contracts at any point in time. While your mandate will determine the maximum amount at risk and maximum market exposure, it also indicates to the Portfolio Manager a maximum number of contracts at any point in time. The actual number of contracts in your account will vary and can be significantly less than the maximum. In addition, your YES Strategy account may not utilize the full amount of the collateral available in the Mandate amount. Regardless of the number of contracts employed, you will still be billed on your selected mandate.

Relating Accounts for Billing Purposes: You may request to have two or more eligible Advisory Accounts be treated as related accounts for purposes of taking their assets into consideration in order to calculate the Program Fee. This means that all eligible assets in those Accounts will be considered together when determining breakpoints, if applicable in the fee schedule. Relating Advisory accounts can provide the opportunity for price reductions at certain breakpoints.

Advisory Accounts that are part of UBS-CAP will be automatically

related for billing purposes unless prohibited by applicable rules or regulations (for example, ERISA).

If you choose a break-point fee schedule for your Account, you should review and consider the potential benefits and discuss with your Financial Advisor. Beginning January 2021, the Program Fee for Advisory Accounts with breakpoint fee schedules that are terminated prior to the quarterly billing process will be based on the relationship rate for that Account, not the contractual rate as previously done. Please contact your Financial Advisor for more information on the definition of eligible accounts and how to choose this billing option. Retirement Accounts may not be linked where a prohibited transaction under ERISA or the Internal Revenue Code may result.

If you negotiate a discount to the UBS Advisory Fee Schedule, that discount will apply only to the break-point asset level (i.e., the asset level that qualifies you for reduced fees) indicated in the Application. As a result, your UBS Investment Advisory Fee and overall Program Fee may change in the future as you increase the assets in your Account and trigger the other breakpoints listed in your application.

SMA Manager Fees in the ACCESS, MAC, SWP Programs and AAP: The SMA Manager Fee (including Premium Services Fees) portion of your Program fee will be paid to your SMA Manager in ACCESS, MAC, SWP and AAP. The UBS Investment Advisory Fee covers your Financial Advisor's investment advice, or advice and management by your UBS Financial Advisor in AAP, and UBS custody, trading and execution services.

The investment management services of your SMA Manager in the ACCESS, MAC, SWP and AAP programs are not included in the UBS Investment Advisory Fee. Those services are covered, in the ACCESS, SWP and AAP Programs, by agreements between UBS and the SMA Managers, and in MAC, by the separate Agreement you sign with your MAC SMA Manager. Your total Program Fee is comprised of both the SMA Manager Fee and the UBS Investment Advisory fee.

Financial Advisors have a conflict of interest and an opportunity to charge a higher UBS Investment Advisory Fee when clients enroll in Investment Advisory Programs that do not include an additional SMA Manager fee. Similarly, differences in SMA Manager fees create a conflict of interest and provide an opportunity for Financial Advisors to charge a higher UBS Investment Advisory Fee for a strategy with lower SMA Manager Fees than they would for strategies that charge a higher SMA Manager Fee.

We calculate SMA Manager Fees for ACCESS, SWP and AAP accounts/sub-accounts and for MAC accounts where the SMA Manager Fee is deducted directly from the account, in accordance with UBS's billing practices. We pay the SMA Manager Fees on your behalf based on all activity (i.e., initial billing, quarterly billing, prior quarter fee adjustment) and assets in their strategies.

Select strategies in the ACCESS, MAC, SWP and AAP Programs, including those offered by our affiliate UBS Asset Management (AM) are available with no additional SMA management fee charged to Clients. UBS Financial Services negotiates the SMA Management Fee with the SMA Managers based on an institutional fee schedule that is substantially lower than the ranges listed above and will pay that fee out of its own resources. SMA Managers will charge additional fees for certain strategies or additional services determined to be premium solutions, such as personalized tax management and sustainable investing. The fees for those value-add services will be paid by Clients ("Premium Services Fee"). All Managers are invited to participate in this pricing structure. Participation is optional and it does not impact the availability of a Manager's strategy on the UBS Financial Services Inc. platform. Managers may choose to participate in this pricing structure at any time. If a manager elects to participate in this pricing structure for some or all of its strategies, existing clients invested in those strategies will see a decrease in the SMA Manager fee, which we will communicate to you.

In the AAP Program no SMA Manager Fee or Premium Services Fee will be charged for a Plan or IRA client invested in a SMA strategy managed by a UBS affiliated Investment Manager.

The lower pricing structure creates a conflict of interest and provides an opportunity for Financial Advisors to charge a higher UBS Investment Advisory Fee for these strategies than they would for strategies that charge an additional SMA Manager Fee. In addition, UBS applies higher hard floors on the UBS Advisory Fee when accounts enroll in strategies participating in this pricing structure. Depending on the size of the overall relationship, this can limit the ability to negotiate a lower UBS Investment Advisory Fee when these strategies are used compared to strategies that charge a separate SMA Manager Fee.

If your Program assets are held at another financial institution or if your SMA Manager will not be executing transactions with UBS, you will also incur separate custodial and trading costs. Please review these costs carefully before establishing accounts.

Our billing process is outlined in this section and details are included in the ADV Disclosure Brochure, Item 5.C.4 *Billing Practices*. We will notify you in writing of any material changes to this process.

Please refer to the Form ADV Disclosure Brochure for the Programs' fee schedules. The fees charged by us for the Programs are negotiable and may differ from client to client, and for clients in the Wealth Advice Center, based on a number of factors. These factors include, but are not limited to, the type and size of the Account, and the number and range of supplemental Advisory and client-related services to be provided to the Account.

In addition, although the UBS Advisory Fee is negotiable and can be waived in certain instances, we limit the ability of Financial Advisors to negotiate below certain levels ("hard floors"). The hard floors differ

based on relationship size, strategy type, and for separately managed accounts offered in the ACCESS, SWP, MAC and AAP Programs with no additional manager fee.

Discount Sharing: We have discount sharing requirements in our Advisory Programs to ensure fees are not priced below specified levels. Discount sharing levels and hard floors vary by style and in some instances by the types of strategies available in a Program: For example, the discount sharing levels and hard floors for an equity strategy are different than for a fixed income strategy; and, within those categories, hard floors levels differ for separately managed accounts offered in the ACCESS, SWP and AAP programs with no additional manager fee. Financial Advisors receive less than their standard payout when accounts are priced below the discount sharing levels. This creates an incentive for Financial Advisors to price accounts at or above those levels. If a Financial Advisor wishes to discount the program fee below certain levels (but not below the hard floors), he/she may have the opportunity to do so but may earn reduced compensation associated with the discount. These discount sharing fee levels are typically higher for equity and balanced strategies than for fixed income strategies, and as such this creates an incentive for Financial Advisors to recommend fixed income strategies. However, the Advisory fee charged to clients for fixed income strategies is traditionally lower than for equity and balanced strategies. Financial Advisors are incentivized to price accounts at the stated fee schedules. All assets held at UBS (including brokerage assets) that are part of your marketing relationship, may be used by your Financial Advisor to determine pricing for your Advisory Accounts.

Exceptions or waivers to the discount sharing policy in Advisory Programs may be provided to certain Financial Advisors for a period not to exceed two years. **These waivers provide those Financial Advisors the flexibility to price advisory accounts at lower fee levels which can benefit clients, but also provides an incentive for them to recommend moving from brokerage to advisory programs to their clients to recoup future compensation lost potentially due to the single share class initiative (see below) which creates a conflict of interest between the interest of the Financial Advisor and the interest of the Client.**

Customized pricing and Financial Advisor compensation may be approved for advisory relationships with assets over a certain amount. Advisory Accounts enrolled in UBS-CAP are subject to the Equity/Balanced and PIV Discount Sharing schedule that is the same for all programs, and account types.

Initial Program Fee: Generally, we will deduct your initial fee from your Account during the same month your Account is accepted for the Program. The fee is calculated on the market value of the eligible assets on your billing start date, pro-rated to cover the period from the date your Account is accepted or the following day, through the end of the calendar quarter. However, if the Account is opened in the last four business days of the calendar quarter, billing includes those days plus the next full calendar quarter. Thereafter, the fee will be based on the value of your Account on the last

business day of each calendar quarter. **4d Attachment 1** calendar quarter are due the following business day. The Initial Fee is then adjusted in the following quarter based on the average daily value of the account as described below in Fee Adjustments.

Quarterly Program Fee: You will pay a quarterly Program Fee for each subsequent calendar quarter that you participate in the Program. Fees will be assessed quarterly based on the net asset value (i.e., fair market value of the eligible assets including dividends and, where applicable, accrued interest, the value of margin loans) in the Account on the last business day of each calendar quarter. Fees will be charged directly to your account in the month following the close of a calendar quarter (unless you have either designated another eligible UBS account to pay the Program Fee or elected to have your fee invoiced to you (non-IRA qualified plans only). Your fee is an annual percentage of your account assets—and you will pay the fee quarterly in advance, pro-rated according to the number of calendar days in the billing period. The Quarterly Fee is then adjusted in the following quarter based on the average daily value of the account as described below in Fee Adjustment.

Billing on Cash and Cash Equivalents: Cash and cash equivalents --including deposit balances in our Sweep Programs, money market funds and PACE holdings in the UBS Government Money Market Funds --are subject to the Program Fees (without any cap) so long as the cash remains in the Account. For accounts that hold high levels of cash, this will result in increased compensation to UBS and to your Financial Advisor. Accounts that continue to hold high level of cash over a specified period of time will be removed from PACE, Strategic Advisor, PMP, SWP and AAP.

Impact of Alternative Investments Valuation and Redemptions on your Program Fee: The valuation of alternative investments held at UBS, or at other financial institutions, reflect the records of the issuers and administrators of those funds. UBS does not guarantee the accuracy of the information. The value shown is not necessarily the value you would receive from the issuer if you sold the assets. Funds actively sold by UBS are subject to ongoing due diligence, although the level performed may vary. A closed fund may be subject to no ongoing diligence. A fund that you purchased elsewhere may never have been subject to UBS FS diligence.

The NAV is primarily based on estimated portfolio values provided by the underlying fund sponsor. Reported estimates may not reflect resale, liquidation or repurchase value, if any, and may not reflect distributions of capital until the next valuation is reported, generally on an annual or semi-annual basis. *These valuation practices are important because we calculate the Program Fee for alternative investments you hold in Advisory Accounts based on these estimates.*

For purposes of calculating the Program Fee, we will use the valuation of alternative investments available/reported to us as of the billing date. Valuation for alternative investments is often delayed, sometimes significantly, and is not provided to us in a

timely manner. As a result, the valuation we use for purposes of calculating the Program Fee may not be current with the actual value of your investments at the time billing is processed and, depending on the circumstances, may result in a higher Program Fee. You should carefully consider the impact of these valuation delays on the Program Fee you pay to us. In addition, For Program Accounts holding eligible alternative investment (non-daily traded alternative funds), initial cash proceeds from redemptions may not be received into the account for a period that can extend over several months. Proceeds from "hold back" promissory notes are usually received within 18 months of issuance.

Redemptions and "Hold Back" Promissory Notes: For Program Accounts holding eligible alternative investments, proceeds from redemptions are not to be received into the Advisory Account for a period that can extend over several months after a redemption request is submitted and is effective. As a result, the Program Fees charged originally are based on the value of the alternative investment fund inclusive of the value of the alternative fund pending redemption. Proceeds from "hold back" promissory notes are usually received within 18 months of issuance.

You will receive a credit of the Program Fee imposed on alternative investments you redeem in whole or in part while you hold these investments in Advisory Programs. Credits will be based on the effective date of redemption.

Example for illustration purposes only.

Fund ABC has a quarterly redemption period. Notice of redemption is due 9/30 and processed 12/31 (the "effective date"). Although the redemption is processed by the fund on 12/31, UBS may not receive the proceeds of the redemption for up to 120 days *after* the effective date of 12/31. Once received by UBS, the cash proceeds due to client will include a promissory note if the fund imposes a "holdback."

Program Fees will be imposed on the value of the alternative investment only until the effective date of redemption (in this example: 12/31). Thereafter, the Program Fee may not include the investment proceeds until such time as the cash proceeds are received which could be 120 days later. Fees previously imposed will be credited to your Account.

In addition, the advisory fee may not be imposed on any promissory notes received as a result of a holdback.

Fee Adjustments: We will adjust the Quarterly Fee that was charged in advance based on the account's average daily balance during that quarter. At the end of each quarter we will recalculate the Quarterly Fee using the account's average daily balance during the quarter. Any difference above \$25 from the quarterly fee assessed in advance will be debited from or credited to the account.

Using the average daily balance to adjust the fee captures both contributions/withdrawals and changes in market value during the quarter. If the market value of the account increases during the quarter, your fee will increase (unless offsetting

withdrawals are made from the account). If the market value of the account decreases during the quarter, your fee will decrease (unless offsetting deposits are made to the account).

Adjustments will be due and payable within the first month of the new quarter and will be reflected on your monthly account statement as a Prior Quarter Fee Adjustment. This process will also be applied to adjust the Initial Program Fee.

This Quarterly Fee Adjustment does not apply to assets held away from UBS (including DVP accounts). Assets not held at UBS are invoiced and are billed quarterly in advance based on the value of the eligible assets in the account at the end of the prior quarter as reported by the custodian to UBS. Fees for assets not held at UBS are not adjusted for contributions or withdrawals or changes in market value during the quarter.

For example:

- Value of account on the last day of the prior calendar quarter: \$250,000
- Annual Advisory Fee Rate: 1.5%
- Quarterly Fee charged in advance = \$945.21 - calculated as follows (\$250,000 (quarter end value) x 1.5% (annual fee rate) X (92 days (days in the quarter) / 365 days (days in the year) = 945.21).
- Avg. Daily Balance Adjustment: Following the end of the calendar quarter, the Quarterly Fee will be re-calculated and adjusted based on the average daily balance during that quarter.
- If the average daily balance of the account during the quarter was \$265,000, the recalculated fee would be \$1,001.92 and the difference between the original fee and recalculated fee of \$56.71 would be charged to your account.
 - The quarterly adjustment fee = \$265,000 x 0.015 x (92/365) = \$1,001.92
 - \$1001.92 - \$945.21 = \$56.71

Withdrawals from ACCESS, SWP and AAP: We will liquidate securities to raise sufficient funds to satisfy withdrawal requests. The cash will be subject to the Program Fee until it is withdrawn from the account. Cash pending withdrawal will be reinvested in the account if not withdrawn within 35 days of the request in ACCESS, SWP and AAP Programs.

There may be instances when available funds to satisfy withdrawal requests are unavailable due to differences in the settlement dates of traded securities. In those instances, available funds may be delayed for up to two days. Because of the funding and withdrawal rules in SWP and AAP, and depending on the overall allocation of the account, raising funds to fulfill a withdrawal request may take additional time.

Important Considerations of an Asset-Based Fee Option. We set and evaluate the reasonability of UBS Investment Advisory Fees in the Programs based on the investment advisory services we offer, without regard – and attributing no economic benefit – to any

ancillary services such as custody, trading and execution available in the Programs, and you should expect that lower fees are available from other firms offering the same or comparable services. You may pay more or less in a UBS Financial Services Inc. wrap-fee program than you might otherwise pay if you purchased the services separately or through other firms. For example, depending on your asset allocation or strategy selection, you may find that, the individual components of your strategy or allocation are available to you outside of the Program for more or less than you would pay in the Program. Several factors affect whether your fees and costs are more or less in a fee-based program, including size of the portfolio; whether we serve as custodian for your Account assets; the types of investments that you select or that are made by the SMA Manager, Portfolio Manager or Financial Advisor; whether such investments carry additional administrative or management fees; the trading activity in the Account and the types of securities traded; whether your SMA Manager uses our trading execution capabilities or those of other broker-dealers to execute transactions for your Accounts; whether you have large cash holdings (i.e., cash or cash equivalents such as bank account deposits or money market funds offered as so-called sweep vehicles) in an Account and whether investment advisory fees are charged on those cash holdings and the actual costs of the services if purchased separately.

You should consider these factors carefully before establishing accounts in the Programs. You should not enroll in our Programs in order to obtain ancillary services such as custody, trading and execution, or assume that you will receive any particular benefit from the availability of those services. For example, while you may be receiving investment advice and other services from us in the Programs, if your Account has little or no trading activity (either through your direction or that of your Portfolio Manager or SMA Manager - for example - for low turn-over fixed income strategies) you should consider whether a wrap fee program continues to be appropriate to your investment needs.

- **Your Program Fee will not be adjusted if, among other things:** your account has low or no trading activity; your SMA manager chooses to trade away from us, and your trades are subject to commissions or other charges imposed by other broker-dealers; you choose to custody or trade your assets at another financial institution; you have large cash holdings or you decide not to implement or follow the investment advice we provide to you.

Accordingly, you should evaluate UBS Investment Advisory Fees based solely on the investment advisory services we provide, without regard to any ancillary services provided such as custody, trading and execution services.

Certain SMA strategies are available in several programs at different fee levels. Therefore, the Program and/or SMA Manager Fee you pay will vary, depending on the Program you select and the structure of the program (dual, single contract, unified account, discretionary or non-discretionary program). For example:

- The ACCESS and MAC programs offer the same SMA strategies. Depending on your asset level and ability to negotiate the SMA Manager Fee with the SMA Manager in the dual-contract structure of the MAC program, you may find that the single-manager contract structure in ACCESS provides a more cost-effective option or vice versa. In addition, based on the combination of our fees and your SMA Manager's Fees, the overall fee for your SMA account in MAC, may exceed 3% of the account value.

When you select an investment portfolio managed by a UBS, affiliate, our Firm overall earns more compensation than it would if you selected a third-party SMA Manager because the fees you pay for investment management are retained by our affiliates.

For SWP and AAP Accounts Only: The SWP and AAP Program Fee is a "Blended Program Fee" that includes the UBS Investment Advisory Fee, applicable to all assets in the Account, for trade execution, administrative services, consulting services (which includes the advice and guidance of your UBS Financial Advisor to develop an asset allocation and evaluate investment options, rebalancing to your Target Allocation and performance reports), and, in AAP, the discretionary services of your Financial Advisor. The Blended Program Fee also includes SMA Manager Fee(s) for the investment management of the SMA sub-accounts. Fees for your sub-accounts and SMA Managers will vary depending on the strategy selected by you in SWP and by your Financial Advisor in AAP. Please consider the following and discuss with your Financial Advisor:

- Because each sub-account may be subject to a different fee, your Blended Program Fee will change as the value of the assets in each sub-account fluctuates with market movement, contributions and withdrawals, or if you, or your Financial Advisor in AAP, make changes to your allocation or new SMA Strategies. As a result, the Blended Program Fee may be more or less than the Blended Program Fee shown in your account application. Changes to your Target Allocation and/or investments will be confirmed to you in writing.
- At initial Account funding or upon reallocation, your Target Allocation may not be fully implemented for several reasons, including due to insufficient funding to completely fund multiple SMA Managers. **The initial fee for the SWP and AAP Programs will be calculated based on the Target Allocation selected by you in SWP and by your Financial Advisor in AAP (even if the Target Allocation is not fully implemented at that time) and the value of the assets on the date your account is accepted.** Thereafter, the Blended Program Fee will be based on the net asset value and the actual allocation across sub-accounts on the last business day of each calendar quarter and will cover the next calendar quarter.
- However, if your account is pending a change to the investment selection(s) to the target allocation at or about the time the Program Fee is calculated, the Blended Program Fee will be based on the Target Allocation.
- When SMA sub-accounts are included, the Blended Program

Fee rate is calculated at the time of the billing event based on the allocation as described above, and is rounded to three decimal places. Future changes to your fee and/or asset allocation made by you and/or your Financial Advisor will also be calculated in this manner and you will receive a letter reflecting these changes.

- See Section II Schedule B3 *Advisor Allocation Program*, and Schedule C3 *Strategic Wealth Portfolio, Funding Multiple Managers* for additional information.
- If sufficient funds are not available in your Account to cover the fee, then assets from each sub-account will be liquidated to pay the portion of the fee attributable to that sub-account.
- Currently, during the quarter, if you (SWP), or your Financial Advisor (for AAP), add an investment to or remove an investment from the target allocation, your quarterly fee will be adjusted based on the new target. We will adjust the original fee that was charged in advance based on the account's average daily balance during the period up to the date of the change. We will then charge you a prorated fee for the remainder of the quarter calculated based on the new target allocation and the value of the assets on the date of the change. In the future, (currently expected to begin with billing for the fourth quarter 2022), we will not make the billing adjustment during the quarter at the time of the change; instead, we will make the adjustment at the end of the quarter based on the account's average daily balance (and the balance of each sub-account) during the quarter, as described in *Quarterly Fee Adjustments* above. This adjustment will include any charges or refunds to your SMA Manager Fees (see *SMA Manager Fees* above), and will be reflected on your monthly account statement as a Prior Quarter Fee Adjustment.

Termination of Account: We refund fees on a prorated basis, for accounts that are closed before the end of a quarter; if fees have not been paid, we charge a prorated fee for the portion of the quarter before the account was closed. UBS may terminate any account which it believes has fallen too far below the minimum opening size to remain in the Program. For details, please see Program Fees for Closed Accounts in section AA.

Additional Fees for Certain Products: Shareholders in mutual funds, offshore funds, ETFs and UITs pay certain fees to the funds or their service providers. These fees may be charged for management of assets, operating expenses, distribution and other expenses. Fees vary depending on the type of vehicle. Those fees are charged in addition to the UBS Program Fee; we do not reduce or offset those fees unless required by applicable law. Your account's actual return will be reduced by these fees and expenses as well as the Program Fee. You are able to purchase these securities directly in the open market without incurring the Program Fee. **Please see the relevant prospectus and our Form ADV Disclosure Brochure for more information.**

12b-1 Fees Offsets in Discretionary Programs: Institutional and/

or Advisory share classes are the primary share classes for domestic mutual fund share classes for proprietary and non-proprietary mutual funds available for purchase in our Advisory Programs. Class A shares are available for funds that do not offer Institutional or Advisory share classes or that declined to make those shares available in the Programs. We will reduce your Program Fee by the amount of any trailers or 12b-1 fees associated with those mutual fund investments in your Account. We will deposit the 12b-1 fees and trailers into your Account to reduce your Program Fee. If the credits remain in your Account at the time of billing, they will be subject to the asset-based fee charged to your account; they are also included in the account's average daily balance for purposes of calculating quarterly fee adjustments.

In PACE, Strategic Advisor and SWP, the 12b-1 fees for Class A shares of domestic funds that remain in the Programs are retained by the Firm and are not paid to Financial Advisors. The different treatment of 12b-1 fees and offshore fund trails means UBS receives higher compensation in connection with Class A shares of domestic mutual funds held in Advisory Accounts.

Treatment of Offshore Fund Trails: For offshore funds, held in all Advisory accounts, trails on the Class A shares are rebated back to clients accounts.

Portfolio Management Program and Advisor Allocation Program Retirement Account Credits Related to UBS Proprietary Funds: For a Plan or IRA client, invested in a UBS Proprietary Fund in our Discretionary Programs we will credit to the account a part of the Advisory Program Fee corresponding to an amount equal to, (A) the average daily balance invested in each Proprietary Fund for the period multiplied by (B) the reduction factor specified below, multiplied by (C) a fraction, the numerator of which is the number of days in the period for which the Fund Advisory Fee (as defined below) is being assessed and the denominator of which is the actual number of days in that calendar year. The "reduction factor" varies among the Proprietary Funds and corresponds to the portion of the net Fund Management Fees that UBS AM earns from a Proprietary Fund after payments to third-party service providers or sub-advisor(s). In the event that: (i) UBS AM waives some or all of the Fund Advisory Fee or UBS AM reimburses other expenses paid by a Proprietary Fund, these reduction factors may be reduced or eliminated; and/or (ii) UBS AM receives any expense recoupment from a Proprietary Fund, these reduction factors may be increased.

Debit Balances in Your Accounts: We charge interest according to our Firm's usual credit practices if payment of our fees results in a debit balance in your Account. These charges may include compound interest, increases in interest rates that reflect adjustments in the Firm's Base Loan Rate, as defined in the Firm's Statement of Credit Practices, and charges to cover the cost of the Firm's facilities and extra services. Payment of the fees and any interest may be made at any UBS office. Please refer to UBS's Statement of Credit Practices for more information.

Fees/Other Charges Not Covered by Your Program Fee: In

4-Attachment 1

Not all Advisory programs permit the purchase and sale of mutual funds, unit investment trusts, or alternative investments. Please review the eligibility of investments in your Advisory program with your Financial Advisor for more details.

The amount of those fees paid to us, and therefore Financial Advisors if applicable, may vary depending on the arrangement between us and the vendors/sponsors and, if applicable, the terms and conditions of the relevant fund's 12b-1 or trail plan. If you hold these assets in your Advisory Accounts, we receive these payments for the duration of your Advisory program account. In some circumstances, we may receive compensation for these assets if you continue to hold those assets at our firm even if you close your Advisory Account.

Revenue Sharing: In addition to sales loads, 12b-1 fees and processing fees, UBS receives other compensation from certain distributors or advisors of mutual funds that we sell. These separate compensation amounts (commonly referred to as "revenue sharing") may be a negotiated flat fee or may be based on two components (i) the amount of sales by UBS of a particular mutual fund family to our clients (excluding sales through wrap-fee programs), and (ii) the asset value of a particular mutual fund family's shares held by our clients at UBS in eligible programs. We require these payments to be made directly from the distributor or advisor, and not from the mutual funds or indirectly through mutual fund portfolio trading commissions. Revenue sharing payments are intended to compensate us for assisting with the sales and distribution support and ancillary services related to sales of mutual fund shares. Updated and current information on these arrangements is available on our website, at www.ubs.com/mutualfundrevenuesharing. See also the Wrap Fee Program Form ADV Disclosure Brochure.

Generally, we receive revenue sharing compensation in connection with all mutual fund assets in Program Accounts except for assets held by:

- (i) Qualified Plans and IRA clients in our Discretionary Programs (UBS Advice Portfolio Program, PMP and AAP) and in PACE Select.
- (ii) Clients invested in funds that have been created at the request of UBS to meet a specific investment objective ("Purpose Built Funds") in Discretionary Programs. Purpose Built Funds are funds which UBS requests be established either by affiliates or third parties in order to fulfill a product need.
- (iii) Clients whose accounts are in the custody of other financial institutions.
- (iv) PACE Government Money Market Fund Investments in the PACE Multi Program.

Revenue sharing compensation will not be rebated or credited to you. However, to the extent we receive revenue sharing compensation for Qualified Plans and IRA assets in our Discretionary Programs or PACE Select, that compensation will be

some instances, you may pay other fees in addition to the Program Fee, which may add to the compensation that we receive. **We do not reduce or offset the Program Fees. These additional fees will reduce the overall return of your account.** Specifically, the Program Fees do not include: (1) commission charges for transactions for your account that your SMA Manager or we, at your direction, may effect through other broker-dealers; (2) custody and trading fees imposed by other financial institutions if you choose to custody and/or trade your assets at other financial institutions (for example, alternative investments held away from UBS in UBS-CAP); (3) fees associated with custody, delivery and conversion of precious metals imposed by affiliates or other financial institutions; (4) mark-ups/mark-downs on principal transactions with us, our affiliates or other broker-dealers; (5) internal trust fees; (6) costs relating to trading in and holding foreign securities (other than commissions otherwise payable to us); (7) internal administrative and management fees that may be imposed by collective investment vehicles such as open-end and closed-end mutual funds, UITs, exchange-traded funds or real estate investment trusts; (8) subject to certain exceptions, redemption fees imposed by mutual funds for active trading; and (9) other specialized charges, such as transfer taxes and fees we charge to customers to off-set fees we pay to exchanges and/or regulatory agencies on certain transactions.

We or UBS Bank USA will also charge interest on any outstanding loan balances (including margin loans) to clients who borrow money from us or UBS Bank USA. We may also charge additional fees for specific account services such as: account transfer fees, wire transfer charges, annual and account servicing fees for Retirement Accounts, fees relating to custody and transactions in physical securities, voluntary corporate action fees, fees for Resource Management Accounts® (and/or Business Services Accounts BSA®) services where such services are available for the account.

V. Other Investment and Account Information Including Additional Compensation to UBS and Your Financial Advisor

We, our Financial Advisors, and affiliates receive additional sources of compensation in connection with certain types of assets in which your Accounts may be invested (for example, mutual funds, unit investment trusts, alternative investments, offshore funds and money market funds).

This compensation is in addition to the program fee you pay us for our investment Advisory services, and is a result of distribution, shareholder servicing, administration, marketing, revenue sharing, investment management or referral Agreements we and/or our affiliates have with vendors or sponsors of those securities and other services ancillary to the execution of purchases of these products. For certain alternative investments, the compensation may also include performance fees. We also receive networking, account servicing and omnibus fees in consideration for certain services, which are ancillary to the effecting of mutual fund transactions that we provide on behalf of mutual funds. These fees generally are paid from investor assets in mutual funds, but in some cases may be subsidized in part by affiliates of the mutual funds

rebated to Plan and IRA clients. Revenue sharing is not paid to our Financial Advisors or his or her branch office. However, these amounts are allocated to the individual branch offices as "non-compensable revenue" (revenue that is not paid out to Financial Advisors or Branch Office Managers) but are considered as part of the overall profitability of the branch, and as one of several components used in determining Branch Office Manager compensation.

Vendor Contributions to Training and Education Expenses:

SMA managers, mutual fund vendors, unit investment trust sponsors, annuity, life insurance companies or their affiliates and sponsors of Exchange Traded Funds (collectively, "vendors") whose products we offer may contribute funds to support our Financial Advisor, client and field leadership education programs. Not all vendors contribute to our education efforts.

The contributions are used to subsidize the cost of training seminars we offer to Financial Advisors through specialized firm-wide programs and regional training forums. These seminars are designed to provide training and education to Financial Advisors, Branch Office Managers, Field Leadership, and other personnel who regularly solicit clients to participate in the various types of businesses listed above. These contributions also subsidize a significant portion of the costs incurred to support the Financial Advisor training, Financial Advisor and Client education, and product marketing efforts conducted regionally and nationally by product specialists employed by UBS. The training events and seminars can (and often) include a non-training element to the event such as business entertainment which is not subsidized by vendors.

Neither contribution towards these training and educational expenses, nor lack thereof, is considered as a factor in analyzing or determining whether a vendor should be included or should remain in our programs or our platform. Contributions can vary by vendor and event. In some instances, the contributions per vendor (as well as the aggregate received from all vendors) are significant.

Additional contributions may be made by certain vendors in connection with specialized events or education or training forums. Your Financial Advisor does not receive a portion of these payments. However, their attendance and participation in these events, as well as the increased exposure to vendors who sponsor the events, tends to lead Financial Advisors to recommend the products and services of those vendors as compared those who do not.

In addition, we and our Financial Advisors, may, from time to time, receive non-cash compensation from mutual fund and ETF companies, investment managers, insurance vendors, and sponsors of investment products we distribute in the form of: (i) occasional gifts up to \$100 per vendor per year; (ii) occasional meals, tickets or other entertainment of reasonable and customary value. The thresholds and limits for gifts and entertainment are designed to mitigate any conflicts related to recommending the products of the providers of such gifts, meals or

entertainment. (iii) sponsorship support for events the Financial Advisors arrange for clients and prospective clients. (iv) Contributions made at the firm-level toward seminars and educational programs for Financial Advisors. These contributions are significant both per vendor and in the aggregate. While Financial Advisors do not receive any portion of these payments, the conflict presented is that a Financial Advisor's attendance and participation in educational or training forums, and the increased exposure to vendors who sponsor these events, tends to lead Financial Advisors to recommend the products and services of those vendors. These seminars and educational programs often include non-educational elements of the event such as business entertainment which is not subsidized by vendors. (See above, *Contributions to Training and Education Expenses*, for additional details). (v) various forms of marketing support and, in certain limited circumstances the development of tools used by the Firm for training or record-keeping purposes. Non-cash compensation can vary by vendor and event.

Compensation for Data Analytics (Strategic Insights). Our Strategic Insights program offers vendors whose products are offered on the UBS Financial Services platform the opportunity to enter into agreements with us pursuant to which, for a fee ranging from \$150,000 - \$330,000, we will provide analytics and data relating to Financial Advisors in order to help vendors streamline and tailor the way they do business with our Financial Advisors. The list of Financial Advisors will be a complete list of all of our Financial Advisors including those that sell their products and those who do not.

Fees related to shareholder communications: UBS outsources production and delivery of shareholder communications, including proxies, to a third party. The third party charges issuers standard industry fees on our behalf to recover costs related to production and distribution of the communication materials. It also shares a portion of these fees with UBS in accordance with our agreement. Proxies and other shareholder communications that are sent to SMA Managers or to ISS in accordance with the option selected by clients for their Advisory Accounts, are included in the calculation of fees collected and shared with us. Total fees collected are generally in the range of \$21 million annually, and the amount paid to UBS averages approximately \$7 million per year. We receive payments monthly and allocate it to the branches as non-compensable revenue; it is not paid to Financial Advisors or branch managers.

Affiliated Money Market Funds Available as Sweep Vehicles in Advisory Accounts. Domestic Money Market Funds: Our affiliate, UBS Asset Management (Americas) Inc. ("UBS AM Americas"), is the advisor and/or administrator for the money market funds used as sweep vehicles in Program accounts – UBS RMA Government Money Market Fund and UBS Liquid Assets Government Fund. Another affiliate, UBS Asset Management (US) Inc. ("UBS AM – US"), serves as the principal underwriter for those funds. These affiliates receive fees for the services they provide to the UBS RMA Government Money Market Fund and UBS AM Americas is entitled to be reimbursed by the UBS Liquid Assets Government Fund

for direct advisory administrative costs and expenses incurred providing services to the fund. In addition, under the terms of our agreements with UBS AM–US, UBS AM–US passes to us the services fees (non-12b-1) it receives from the UBS RMA Government Money Market Fund at an annual rate of up to 0.25% of the fund’s average daily net assets. We also receive revenue sharing payments paid by UBS AM-Americas (or UBS AM-US) related to the UBS RMA Government Money Market Fund at the annual rate of up to 0.12% of the fund’s average daily net assets. These revenue sharing payments are paid to us out of the legitimate profits or other resources of UBS AM-Americas and/or UBS AM-US

We also provide certain services with respect to both funds pursuant to a delegation of authority from BNY Mellon Investment Servicing (US) Inc. (“BNY Mellon”), the transfer agent of the funds, for which we are compensated by BNY Mellon with respect to the UBS RMA Government Money Fund.

UBS Bank Sweep Programs: We receive an annual fee of up to \$50 from UBS Bank USA for each UBS account that sweeps into deposit accounts at UBS Bank USA, to the extent permitted by law.

UBS FDIC-Insured Deposit Program: All Program Banks, except UBS Bank USA, will pay UBS a fee equal to a percentage of the average daily deposit balance in your Deposit Accounts at each Program Bank. The fee varies from bank to bank and ranged between 0.06% and 0.39% from January 2021 to December . The rate for December 2021 averaged 0.20 %. The service fee is paid monthly. UBS Bank USA will pay UBS an annual fee of up to \$50 for each Securities Account that sweeps through the Program into Deposit Accounts at Bank USA.

Non-US residents are not eligible for any of the money market funds available as sweep options.

Compensation to Financial Advisors Who Recommend Advisory Programs, Branch Office Managers and Investment Managers

This section provides a general description of the standard compensation plans for Financial Advisors. We reserve the right, at our discretion and without prior notice, to change the methods by which we compensate our Financial Advisors and employees, including reducing and/or denying production payout and/or awards at our discretion for any reason, including without limitation, to comply with applicable laws, rules and regulations.

Detailed information about our compensation practices are included in our Form ADV Disclosure Brochure in the section titled, Compensation to Financial Advisors Who Recommend Advisory Programs. In addition, we will notify you of material changes through updates to our Form ADV Disclosure Brochure. We consider deposits of cash or securities and your continued use of your Advisory Accounts and services at UBS as your agreement to the terms and conditions in this Agreement, the Form ADV Disclosure Brochure, and the related documents and disclosures we refer to here.

Our standard compensation plan for Financial Advisors consists of (1) a guaranteed monthly minimum draw required by applicable law and (2) a monthly earned payout based on the Financial Advisor’s production if it is greater than the monthly minimum draw; and (3) a Year-End Award.. Both monthly production payout and any Year-End Award are determined using an overall Incentive Grid Rate (a percentage) for each Financial Advisor. Incentive Grid Rates range from 30% to 60%, with either 10% or 15% of the rate credited toward an annual year-end award, which is generally paid on a deferred schedule described below. The Incentive Grid Rate increases as a Financial Advisor’s production increases.

Monthly Earned Payout

The payout is a percentage (the Incentive Grid Rate, also referred to as production payout rate) of the production (generally transaction revenue and investment advisory program fees) that each Financial Advisor generates during that month minus deferrals and adjustments that are specified in our Financial Advisor Compensation Plan. Account maintenance fees are not eligible for a payout as are certain transaction and advisory fees that are priced below a specific level. Financial advisors working as part of a team that meets minimum production requirements can qualify for a higher production payout rate than they would receive working as an individual.

Financial Advisors are not generally paid on households that fall under the thresholds below:

- Wealth Management US households: \$250,000
- International households: \$1,000,000
- Private Wealth Management households: \$2,000,000

Financial Advisors receive compensation for production generated in accounts they migrate to the Wealth Advice Center based on the value of the assets in the account household. For households over \$100,000, Financial Advisors are credited with the Incentive Grid Rate applicable to them. For households under \$100,000, advisors are credited with the Incentive Grid Rate of 30%. Effective after June 30, 2022, the thresholds will be raised to \$250,000. For referrals of new clients to the Wealth Advice Center, Financial Advisors do not receive compensation but do receive credit for purposes of calculating awards and bonuses.

We reserve the right, at our discretion and without prior notice, to change the methods by which we compensate our Financial Advisors and employees, including reducing and/or denying production payout and/or awards at our discretion for any reason.

Investment Advisory Programs: For our Investment Advisory Programs (asset-based fee programs) the Incentive Grid Rate is applied to the Program Fees credited to the Financial Advisor by the Firm, but the payout is generally reduced for accounts priced below certain thresholds. See Discount Sharing. Advisory Accounts in relationships with assets over certain thresholds may have customized pricing and payouts as approved by the Firm.

The differences in the way we compensate Financial Advisors for the products we offer, create an incentive for Financial Advisors to recommend certain products and account types over others, to encourage clients to purchase multiple products and services, and to

choose a payment structure for products and services that generates greater compensation.

We address our conflicts of interest by maintaining policies and procedures requiring that Financial Advisors act in your best interest reasonably supervising their activities and disclosing these conflicts so that you can make fully informed decisions.

Year-End Award

Depending on the Financial Advisor's overall Incentive Grid Rate (see above), the percentage deferred to the Year-End Award will generally range from 3% to 9%. Any granted Year-End Award generally consists of a deferred cash award paid annually over a specified time frame (provided the Financial Advisor is employed with UBS on the payment date) and restricted equity/notional shares, subject to vesting and forfeiture rules, or some combination thereof. A Year-End Award below a certain threshold is paid in cash (subject to continued employment through the payment date).

Additional Rewards: Financial Advisors are generally eligible to qualify for recognition programs, which are based on production, and length of service at the firm. We may reduce or deny participation in such recognitions for any reason at our discretion.

- Recognition Councils. At UBS, there are four Recognition Councils for top-performing Financial Advisors. They are Pinnacle Council, Chairman's Council, President's Council and Director's Council. Membership is based on a combination of production and net new business rankings and other eligibility factors set by the firm, including disciplinary history and compliance with firm rules, standards and policies. Pinnacle and Chairman's Council members are given the opportunity to receive credit card points or select a gift from a catalogue valued at up to \$1,125. They are also given the opportunity for them and a guest to attend a conference that is paid for by the firm. The conference choices all have a training and education component and have a value of up to \$12,000 per person. Instead of the conference, the council member may select a membership in a shared private air travel group valued at \$17,000. President's and Director's Council members are given the opportunity to receive credit card points or select a gift from a catalogue valued at up to \$1,125 or the opportunity for them and a guest to participate in a conference if space is available.
- The Expense Allowance Program. Recognition Council members and other Financial Advisors meeting minimum production levels are generally eligible to participate in the Expense Allowance Program, which provides an expense allowance for the purpose of promoting business. The amount of the expense allowance awarded is based on production level and Recognition Council Membership.

Other compensation practices

Under certain circumstances (e.g., acquisitions and recruitment; or particular programs or designations, such as Wealth Advice Center, Wealth Planning Associate, Financial Advisors Associates, Institutional Consulting ("IC") Retirement Plan Consulting Services ("RPCS"), Retirement Plan Advisor ("RPA"), and Retirement Plan

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Manager ("RPM"), some Financial Advisors acting as Consulting Branch Managers may be compensated differently.

Compensation for Financial Advisors, Recruited from other

firms: In general, if your Financial Advisor is joining UBS from another firm, you should discuss the reasons your Financial Advisor decided to change firms and any costs or changes in services you incur by transferring your accounts to UBS. In many cases, UBS pays Financial Advisors financial incentives when they join and on an ongoing basis as described below.

Financial Advisors who were recruited to UBS prior to November 2016 were eligible to receive incentives at the time they joined (based on prior firm revenue) and are eligible to receive additional incentives while employed at UBS, based on reaching certain minimum asset and/or production levels or other targets within a specified period of time after joining UBS. Financial Advisors hired after November 2016 are similarly eligible to receive substantial incentives at the time they join UBS based on prior firm revenue. In some cases, to maintain the incentives, the recruited Financial Advisors are required to achieve and maintain asset levels as determined at the time of joining UBS.

Generally these incentives are the continuance of monthly payments for up to 10 years, unless the threshold/levels are not met.

These payments can be substantial and take various forms, including salary guarantees, loans, transition bonus payments and various forms of compensation to encourage Financial Advisors to join UBS, and are also contingent on your Financial Advisor's continued employment. Therefore, even if the fees you pay at UBS remain the same or less, the transfer of your assets to UBS may contribute to your Financial Advisor's ability to meet such targets and to receive additional loans and/or compensation even if not directly related to your account or the fees you pay to us.

These practices create an incentive and a conflict of interest for your Financial Advisor to recommend the transfer of your account assets to UBS since a significant part of the Financial Advisor's compensation is often contingent on the Financial Advisor achieving a pre-determined level of revenue and/or assets at UBS. *You should carefully consider whether your Financial Advisor's advice is aligned with your investment strategy and goals.*

Compensation to UBS Portfolio Managers and Financial Advisors in our Discretionary Programs.

Portfolio Managers in the UBS Advice Portfolio Program do not receive a portion of the UBS Investment Advisory Fee.

The percentage payable to Financial Advisors acting as Portfolio Managers in the PMP Program and Financial Advisors in AAP is based on their total production level at UBS. Financial Advisors who participate in the PMP and AAP Programs have an incentive to recommend their services in PMP or AAP over those of third party SMA Managers in other Advisory Programs or over traditional commission based brokerage services. In addition, Financial Advisors have a conflict of interest and an opportunity to charge a higher UBS Investment Advisory Fee when clients enroll in Investment Advisory

Programs that do not include an additional SMA Manager fee. Generally, Financial Advisors in UBS-CAP will receive the same payout level across all Accounts enrolled in UBS-CAP regardless of Program type or strategy.

Financial Advisors who manage accounts in the PMP and AAP Programs may also provide services to you and to other clients outside of the Programs in their capacity as broker-dealer representatives and as such, may dedicate time to activities other than discretionary portfolio management.

Financial Advisors responsible for managing client accounts through PMP and AAP may service accounts in both PMP and AAP and also may service other accounts in which the services may differ based on the type of account, services offered or particular program. As a result, the management of accounts in PMP and AAP may differ from each other, may differ from other accounts, and may be based on different methodology, asset allocation and/or investment recommendations. In addition, we and our affiliates may give advice and take action in the performance of our duties to clients which differs from advice given, or the timing and nature of actions taken, with respect to other clients' accounts. PMP and AAP Financial Advisors do not directly provide discretionary investment advisory services through wrap programs other than PMP or AAP. However, Financial Advisors in PMP and AAP may provide non-discretionary investment advisory services through other Advisory Programs, such as PACE and Strategic Advisor. These Financial Advisors may also offer clients discretionary advisory services utilizing affiliated and unaffiliated SMA Managers and/or mutual funds.

We and our PMP and AAP Financial Advisors have a conflict in recommending the services of related person in managing client accounts because this will result in higher overall compensation to us and our affiliates than if third-party managers were used. Third-party managers are not available through PMP but are available through AAP and other programs offered through us.

Financial Advisors who do not participate in PMP or AAP may refer their clients to Financial Advisors acting as Portfolio Managers in the PMP Program or to Financial Advisor in AAP. In those instances, the PMP or AAP Financial Advisor or Portfolio Manager shares a portion of his/her fee with the referring Financial Advisor.

Compensation to SMA Managers in the ACCESS, MAC, SWP and AAP Programs. We pay a portion of the Program Fee to your SMA Manager as compensation for their services. The amount of the Program Fee paid to each SMA Manager is a function of that SMA Manager's investment style and the fee we negotiated with the SMA Manager in ACCESS, SWP and AAP, or for MAC Managers, the fee you negotiated directly with the Manager. Not all strategies in ACCESS, SWP and AAP have an additional SMA Manager Fee (see above section, SMA Manager Fees in the ACCESS, MAC, SWP Programs and AAP). When fees are charged, The annual fees paid to SMA Managers are based on a percentage of assets under management. Generally, the Rev. 04/22

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compensation payable to SMA Manager and Financial Advisor and UBS is higher for equity and balanced strategies than it is for fixed income strategies.

We calculate SMA Manager Fees for ACCESS, SWP and AAP accounts/sub-accounts and for MAC accounts where the SMA Manager Fee is deducted directly from the account, in accordance with UBS's billing practices as described above. We pay the SMA Manager Fees on your behalf based on all activity (i.e., initial billing, quarterly billing, prior quarter fee adjustment) and assets in their strategies

See the Form ADV Disclosure Brochure Item 4D "Compensation to Financial Advisors Who Recommend Advisory Programs" for additional details

Other Compensation: Our affiliates receive trading commissions and other compensation from mutual funds and insurance companies whose products we distribute. We or certain of our affiliates may engage in a variety of transactions with or provide other services to the investment managers and mutual funds or to their affiliates or service providers presented to you or already held by you for which we receive compensation. Those transactions and services may include, but are not limited to, effecting transactions in securities or other instruments, as broker or as dealer for our own account and research, consulting, performance evaluation, investment banking, banking or insurance services.

Other Activities: We and our affiliates manage accounts for many types of clients including issuers or sponsors of securities you may purchase, and engage in a broad range of other research, Advisory, brokerage and investment banking activities for which they receive compensation. The advice we provide or actions we take for any other client or account, including our own account, may differ from the advice or actions that we take for your account. UBS may acquire confidential information in the course of its business. If that happens, we will not be able to divulge it or act on it for your account. UBS has no obligation to execute any transaction for your account that we believe to be improper under applicable laws, rules or regulations.

W. Valuation

In determining the value of securities in your Accounts, we generally rely on third-party quotation services we believe to be reliable. If prices are unavailable or believed to be unreliable, we may determine values in good faith so as to reflect our understanding of fair market values and may use other sources such as last recorded transactions. We do not independently verify or guarantee the accuracy or validity of this information.

Shares of mutual funds affiliated with UBS will be valued at their respective net asset values on the valuation date calculated in accordance with the fund's current prospectus.

All other shares of funds will be valued at their net asset values on

the valuation date as provided by pricing sources believed by UBS to be reliable. This pricing information may not be accurate, complete or provided in a timely manner. If the net asset value for particular shares is not available for the valuation date, the most recent available net asset value will be used. Similarly, valuation data for certain private or illiquid investments may not be provided to us in a timely manner, resulting in valuations that are not current in your statements and Performance Reports. Any valuation will not be deemed a guarantee of any kind with respect to the value of Program assets.

We will generally rely on the value provided by you (through your custodial statement),, the custodian or issuer of that security, when (i) securities are held at another custodian and security-specific detail is not provided to UBS to value them; (ii) investments you hold in your accounts are not available through UBS or that our systems do not recognize.

X. Investment Adviser Code of Ethics

We maintain and enforce a written Code of Ethics ("Code"). The Code, which supplements the Firm's Code of Conduct, has a dual purpose: it describes standards of conduct that apply to all employees of the Firm including the Firm's fiduciary obligation to its clients; and, to address conflicts of interest associated with the personal trading activities of a subset of employees defined as "access persons." We provide a copy of the Code of Ethics to clients and prospective clients upon request.

Y. Representations and Acknowledgements

UBS represents that it is a registered investment advisor under the Investment Advisers Act of 1940 and has the authority to enter into this Agreement.

You represent that you have the authority to enter into this Agreement. If you have signed this Agreement for a corporation, trust, partnership or other legal entity, you represent that applicable law and the entity's governing documents allow it to participate in the Program and the transactions contemplated by it, including the delegation of investment discretion to UBS, and authorize you to execute this Agreement.

You acknowledge that:

- (i) you understand that you would not be obligated to pay the Program Fee described if you invested in the securities directly rather than through the Program, and **your Program Fee will not be adjusted:**
- **for low or no trading activity;**
 - **if your SMA manager chooses to trade away from us;**
 - **if you choose to custody your assets at another financial institution;**
 - **if you decide not to implement or follow the investment advice we provide to you;**
 - **or if you decide to suppress required reports**

(ii) you are aware of the medium to long-term nature of the participation of the Advisory Programs and possible losses inherent in such investments, and are financially capable of bearing these losses;

(iii) you have not received any written or verbal guarantees or representations of performance as an inducement to open or to continue carrying the Account. No representative or agent of UBS is authorized to make any such guarantees or representations now or in the future; and

(iv) you acknowledge that UBS may withhold taxes to the extent required by law, and may remit these taxes to the appropriate governmental authority.

Z. Retirement Account Representations

If you are the trustee or other authorized fiduciary, owner or beneficiary of a Retirement Account (Responsible Fiduciary) you represent that:

(i) you are a fiduciary with respect to the Retirement Account assets capable of making independent and informed decisions regarding their investment and participation in an Advisory Program, the investment and selection decisions you make are permitted under the plans and consistent with your fiduciary responsibilities, you are independent of UBS and its affiliates, and will not receive any direct or indirect compensation or other benefit for your own account in connection with any transaction or investment contemplated by participation in an Advisory Program;

(ii) you have received sufficient information about the Program fees and the additional compensation UBS will receive to determine (and you have determined) that they are reasonable prior to signing this Agreement and establishing Accounts in the Programs;

(iii) with respect to any Retirement Account assets of an ERISA Plan in our Discretionary Programs and UBS-CAP with Limited FA Discretion Services Power of Attorney, you have appointed UBS "investment manager" (as defined in Section 3(38) of ERISA) with respect to the management of such assets;

(iv) with respect to any Retirement Account assets of an ERISA Plan in our SMA Programs and the SMA sub-accounts of the Unified Account Program or AAP, you have appointed the SMA Manager as the "investment manager" (as defined in Section 3(38) of ERISA) with respect to the management of such assets;

(v) with respect to any assets you decide to transfer or roll over from a workplace retirement plan or move from an IRA at another financial institution (now or in the future), you (i) understand and acknowledge that a recommendation to roll assets out of a workplace retirement plan to UBS will only be valid if made to you in writing in a UBS Rollover

Recommendation Letter; (ii) have evaluated the investment and non-investment considerations important to you in making the decision, such as those identified in the UBS IRA rollover guide provided at ubs.com/irainformation and in paper version upon your request, (iii) have reviewed and understand the fees and costs associated with a UBS IRA; (iv) recognize that higher net fees will substantially reduce your investment returns and ultimate retirement assets; and (v) understand the conflict of interest raised by the financial benefits to UBS and its employees resulting from your decision to roll or transfer assets to a UBS IRA; and

(vi) by establishing future Advisory Accounts on behalf of the Retirement Account you confirm that the representations made above are accurate for such Advisory Account.

UBS acknowledges that in addition to acting as an Investment Adviser under the Investment Advisers Act for your Retirement Account, the following:

- **For Our ACCESS SMA Program and the SMA Managers in SWP and AAP:** The SMA Manager that you select for the Program (or that we select on your behalf in AAP or under UBS-CAP with Limited FA Discretion) is an independent plan fiduciary with respect to the day-to-day investment management of your account(s) or sub-accounts in that Program and has acknowledged in writing that it is a fiduciary with respect to your account(s) or sub-accounts.
- **For Discretionary Programs (PMP, AAP, and UBS Advice Portfolio):** as the provider of discretionary asset management services, UBS is a fiduciary as defined in ERISA in the day-to-day investment management of your Account under this Agreement and an investment manager as defined in Section 3(38) of ERISA of your Account under this Agreement.
- **For All Retirement Advisory Accounts:** when providing either discretionary asset management services or non-discretionary investment advice or recommendations, under a Program, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable.
- **Other Services and Activities:** Not all services or activities UBS or your Financial Advisor provides to your Retirement Account(s) are provided as a fiduciary under the retirement laws. Exclusions include:
 - Communications that include general information and education about the financial markets, certain asset allocation information, financial planning illustrations and scenarios and the advantages and risks of particular investments.
 - Recommendations we provide with respect to

accounts that are not Advisory Accounts (this includes your taxable accounts);

- Transactions you enter into that are unsolicited or self-directed (i.e. where UBS does not provide a recommendation);
- Recommendations that are not fiduciary "investment advice" as defined in Department of Labor regulation section 2510.3-21 (i.e., investment advice for a fee or other compensation rendered on a regular basis pursuant to a mutual understanding that such advice will serve as a primary basis for your investment decision, and that will be individualized to the particular needs of your Retirement Account); and
- Recommendations that you execute outside of our Advisory Programs at another financial institution.

AA. Closing Your Advisory Accounts; Terminating this Agreement

This Agreement is effective and deemed to be accepted by UBS on the date your Account is coded as "advisory" or for UBS-CAP, the date the Agreement is approved by the program manager for that Program. We will send you confirmation of our acceptance and provide you with a copy of our Form ADV Disclosure Brochure. You may cancel this Agreement within five (5) business days from the day this Agreement is accepted by UBS and receive a full refund of Program fees. Thereafter, either we or you may terminate this Agreement at any time. Each time you establish a new Advisory Account with us, you may terminate that account and receive a full refund of Program Fees within five (5) business days from the day we send you confirmation of your new Account.

Closing one or all of your Advisory Accounts with us does not terminate this Advisory Relationship Agreement, if you continue to have other types of accounts with us. You may terminate this Agreement only by notifying us in writing. In addition, this Agreement will terminate if we receive instructions to deliver all your Advisory assets to another firm, effective promptly after receipt of those instructions.

We may close your account(s) in our discretion, including if you fail to maintain minimum account balances or adhere to program requirements. Generally, accounts with balances of \$1,000 or below will be terminated from the Programs. We will notify you in writing of our decision to close any or all of your Accounts.

Ending your participation in these programs as well as our Advisory relationship is effective promptly after receipt and processing of your request. Requests to terminate your participation in a program may be made in writing or verbally to your Financial Advisor. We will confirm your instructions in writing and notify you when we have terminated you from the program and/or closed your account. Closing your account will not affect your obligation to pay balances due on the account. Closing your account terminates our Advisory relationship with you as it pertains to that Account.

For MAC clients, termination of this Agreement with UBS does not result in the termination of your agreement with your MAC investment manager. For MAC Accounts enrolled in UBS-CAP with Limited FA Discretion Services we will notify your MAC Manager of the account and investment management agreement termination. However, for any other MAC Account that is not part of Limited FA Discretion Services UBS-CAP, you are responsible for terminating your agreement with the MAC investment manager and we do not assume responsibility for notifying the investment manager.

Automatic Liquidation or Exchange of Certain Assets at Account Termination

: In certain cases, your assets may be invested in securities, special mutual funds or shares of mutual funds or alternative investments, including in some instances, Advisory share classes of mutual funds or alternative investments that have been created for use or are eligible **exclusively** within wrap fee Advisory Programs. Some of these investments contain restrictions that limit their use exclusively to within wrap fee Advisory Programs, and may be unavailable for purchase or holding outside of wrap fee programs. When you end your participation in those strategies at UBS for any reason, that termination results in the **automatic redemption** of such mutual fund shares or investments held by or on your behalf, which, except in instances of tax free- exchanges of Advisory share classes for another share class, may have tax consequences to you. **Unless the issuer requires automatic redemption of these investments, you can continue to hold them in your brokerage account.** *Single share class holdings that move from Advisory to Brokerage accounts will be subject to commission charges on buys and sells.*

When you select one of these types of strategies or investments for your portfolio, you agree to the automatic redemption of the investments upon termination of your account and direct us to effect such liquidation. The compulsory conversion of alternative investments may require additional documentation from you. **We recommend that you consider the potential impact of such liquidations and restrictions carefully before participating in these types of strategies.**

PACE Program: Upon termination of your participation in PACE, the PACE Money Market Fund will be automatically liquidated. Unless you direct us to liquidate your other holdings, all other assets will continue to be invested in the existing positions and will be held in a brokerage account, subject to prospectus rules.

Transactions in your Accounts Prior to Receipt of your Termination Request: We are not responsible for the purchases or sales of securities by your SMA Manager or transactions by our employees who manage your accounts in the Discretionary Programs prior to our receipt of your request to close your Advisory Account. Any transactions initiated by your SMA Manager or our employees on the day your Account is closed will be processed, if practicable.

Liquidation Requests: As part of **4d Attachment 1** withdrawal from a program, you may request that we liquidate your securities. Closing your account will not affect your obligation to pay balances due on the Account. Liquidation of your Account will depend upon market conditions at the time and, absent unusual circumstances, generally will be processed by the end of the next business day after we receive your instructions. However, certain accounts may take longer to liquidate, including accounts holding high yield, convertible and other less liquid securities. Closing your account terminates our Advisory relationship with you as it pertains to that Account.

If we are unable to obtain an agency bid on a particular bond or illiquid fixed income position, after a number of attempts, we will, in our capacity as broker, seek to trade the position on a principal basis if a bid is available. This will allow us to comply with your liquidation request in an expeditious manner. By executing this Agreement, you authorize us to execute these transactions on a principal basis when agency execution is not available in order to comply with your liquidation requests. Liquidations will be executed free of commission charges. Trade confirmations for liquidating transactions effected on an agency basis will be sent to you monthly on your Account statement if you selected that option for your Account.

If your Account includes securities with limited liquidity or redemption schedules, such as alternative investments, we may be unable to liquidate those securities upon your request. When processing your liquidation request in such cases, we will liquidate readily marketable and otherwise unrestricted securities in your account, leaving any securities that we are not able to liquidate in your account. Once the account is closed, you may have to wait for specific liquidity windows and process your liquidation request through procedures that are specific to the illiquid investment you own. **In addition, an alternative investment fund may hold back a portion of redemption proceeds, usually in the range of 10%, to cover accrued expenses, contingencies and liabilities.**

Estate Administration Instructions: Upon receipt of notice of your death, we will cease management of the Account without liquidating the investments (except for assets that can be held only in wrap fee Advisory Programs as explained in the section titled Automatic Liquidation of Certain Assets at Account Termination). Your account will no longer be enrolled in the Program while instructions from a court appointed executor/ administrator regarding the disposition for your assets is pending. In contrast, for trust accounts, the death, removal or resignation of a trustee - including the settlor/trustee of a revocable living trust - will not result in termination unless the substitute fiduciary/trustee requests termination. For the MAC program, we do not assume responsibility for notifying the MAC SMA Manager of the client's death and we do not require the SMA Manager to follow any particular procedures.

Program Fees for Closed Accounts: Upon termination, a pro-rated refund of any prepaid fees will be made or, if no fees have been paid, a pro-rated fee will be charged. If you terminate your account

prior to the calculation of a quarterly fee, a pro-rated fee based on the average daily balance for the days the account was enrolled in the program will be charged. If you terminate the account after the quarterly fee has been charged, a prorated fee adjustment based on the average daily balance for the period the account was enrolled in the program will be assessed. If you provide liquidation instructions when you terminate your Account, the refund will be processed once liquidations are complete which is generally, depending on market conditions, two to three business days after receipt of your request.

Margin: For accounts with strategies that use margin, we may, at our discretion, elect to cover all existing short positions when you close your account. Those liquidations will be executed in our capacity as broker-dealer and creditor and may, as permitted by law result in executions on a principal basis in your Account. Upon termination, you are responsible for monitoring the securities in your account, and neither UBS nor your SMA Manager will have any further obligation to act or advise with respect to those assets.

Brokerage Relationship: When you close your Advisory Account, our fiduciary relationship with you under the Investment Advisers Act as it pertains to that account ends and the account will be converted to and designated as a "brokerage" account only. This Agreement will no longer apply to that account and it will be governed solely by the terms and conditions of your brokerage account agreement.

BB. Additional Contractual Matters

Entire Agreement:

This Agreement is effective and deemed to be accepted by UBS on the date your Account is coded as "advisory," which we will confirm to you in writing. We may delay acceptance of the Agreement (and management of the account) for various reasons including paperwork, including paperwork deficiencies or inadequate funding. This Agreement, including the Program Application, attached Schedules and any supplemental documents (such as a trustee certification) is our entire understanding on the matters specified here and any changes must be in writing. If any part of this Agreement is invalid or unenforceable, it will not affect the validity or enforceability of the rest of the Agreement

Amendments: UBS may modify the terms of this Agreement, subject to sending you prior written notice, and your continued acceptance of services thereafter shall be deemed consent and agreement to the changes.

Applicable Law: This Agreement will be interpreted under the substantive laws of the State of New York without giving effect to any conflict of law provisions.

Assignment: Neither UBS nor your SMA Manager may assign (as defined in the Investment Advisers Act of 1940, as amended) this Agreement without your consent.

Notices: All written communications from you regarding this Rev. 04/22

Agreement must be sent to your Financial Advisor unless you are specifically directed otherwise. All written communications to you shall be sent to you at the address you provide your Financial Advisor.

CC. Unforeseeable Events/Force Majeure

UBS shall not be liable for losses caused directly or indirectly by government restrictions, exchange controls, exchange or market rulings, suspension of trading, acts of god, acts of war, strikes or other conditions beyond our control, including but not limited to, extreme market volatility or trading volumes.

DD. Arbitration

This Advisory Relationship Agreement and all accounts you establish under its terms are subject to the pre-dispute arbitration agreement in the Client Relationship Agreement (or other agreements governing your account) you signed with UBS Financial Services Inc. By signing this Agreement you confirm your understanding and agree to arbitrate all disputes that may arise with UBS Financial Services Inc. in connection with your Investment Advisory Accounts in accordance with the terms of the Client Relationship Agreement.

This Section includes additional terms and conditions applicable to specific Advisory Programs. These disclosures, terms and conditions are part of and supplement the terms, conditions and disclosures included elsewhere in this Advisory Relationship Agreement.

Schedule A - UBS Consolidated Advisory Program and UBS Consolidated Advisory Program Select

Schedule B - Discretionary Programs: UBS Advice Portfolio Program, PMP and AAP

Schedule C - Unified Accounts: UBS Strategic Wealth Portfolio Program

Schedule D - Non-Discretionary Advisory Programs: Strategic Advisor

Schedule E - Non-Discretionary Advisory Programs: PACE

Program Description: UBS Consolidated Advisory Program (the "UBS-CAP") and CAP Select are available through a select group of Financial Advisors who provide specialized investment advisory consulting services to investors. UBS-CAP is a "Portfolio Based Advisory Program" which means that it is an advisory program in which our services are provided to you for certain eligible UBS Advisory Accounts (and, in limited circumstances, accounts you hold at other financial institutions that you elect to include in UBS-CAP) on a portfolio level instead of individually at the account level. In addition, to being available as an overall advisory contract per client tax ID, UBS-CAP is also available, where appropriate, to multiple related entities (multi-TINs) owned by or related to the same party which based on the structure and ownership should be managed under the same Investment Policy Guideline ("IPG") Asset Allocation and aggregated for performance reporting.

It is important that you understand how the services available to you in UBS-CAP alter or modify the services and options available in other UBS advisory programs. Those distinctions include the review and application of certain Advisory Program guidelines to your UBS-CAP Portfolio instead of individually to each Advisory Account and, if selected, the delegation of certain activities to UBS and your Financial Advisor through the execution of a limited power of attorney.

In contrast, CAP Select is an advice-only program in which the fee you pay is solely for the investment advice and performance provided in the Program. Custody, trading and execution fees are not applicable or assessed in CAP Select. While the UBS-CAP Program offers clients the ability to hold a certain percentage of their asset allocation in alternative investments, CAP Select is designed for clients who want 100% of their assets in CAP Select invested in a diversified asset allocation consisting only of alternative investment vehicles. Only alternative investments held at UBS are eligible to be held in the Program. You may establish a CAP Select Program Account on a stand-alone basis or in conjunction with a UBS-CAP Program Account.

UBS-CAP and CAP Select services include, but are not limited to: 1) assistance in the development and preparation of an investment policy guideline; 2) the preparation of an asset allocation study and analysis that allocates your investment assets among various asset categories or classes; 3) for UBS-CAP selection of separate account managers, mutual funds and alternative investments; 4) for UBS Select the selection of alternative invests; 5) portfolio evaluation and review; 6) ongoing investment management consulting on such items as review of the asset allocation and investment policy and the impact of capital market developments on the overall investment strategy.

Generally, the services in UBS-CAP and CAP Select will be provided on a non-discretionary basis by your Financial Advisor. However, both programs offer two types of limited power of attorney. Please review the options carefully and select the option (if any) that best suits your investment needs.

You may establish a UBS-CAP or CAP Select relationship on a fully non- discretionary basis (without any limited power or attorney) or you may delegate certain activities to your UBS Financial Advisor by selecting the Limited Power of Attorney option in the respective Program's Application and executing the Agreement and Application. UBS-CAP offers (1) Limited Power of Attorney for implementation of Client Directed Investment Activities and (2) Power of Attorney for Limited Financial Advisor Discretion Services. **You are not required to provide limited power of attorney authority to your Financial Advisor or any other UBS employee in order to participate in the Program. If you provide such authority, you can terminate the limited power of attorney at any time by notifying your Financial Advisor in writing. Termination of a power of attorney will result in the conversion of your UBS-CAP and/or CAP Select relationship as applicable to fully non-discretionary except for UBS-CAP assets in PMP and you will be responsible for the all activities previously delegated to UBS and your Financial Advisor under the relevant power of attorney.**

Except as amended below all the terms and conditions of the Advisory Relationship Agreement, and the responsibilities and obligations of each party as described in that Advisory Relationship Agreement remain in full force and effect

1. UBS-CAP and CAP Select Services

(a) Asset Allocation and Investment Policy Guidelines. The Programs provide assistance in the development and preparation of a an asset allocation and an investment policy guideline which, in the case of UBS-CAP can encompass a portfolio level review across a variety of advisory accounts held at UBS. These services typically involve analyzing your liquidity requirements, performance goals and risk tolerance levels based on the information you provided to us. We will review the investment policy guidelines with you on an annual basis and will assist you in incorporating any changes you determine are appropriate. We will monitor your portfolio to determine if it is in compliance with your asset allocation guidelines as stated in your investment policy guidelines, and will recommend to you when we determine changes are appropriate. The Firm does not provide legal, tax or actuarial advice. We will not be responsible for ensuring that your investment policy guidelines and asset allocation choices comply with all specific legal, actuarial or other requirements that apply to you. That responsibility rests solely with you and you should consult with your legal and tax advisors regarding those matters.

(b) Investment Searches. As appropriate, we will recommend and present for your consideration eligible investment types for each Program. For UBS-CAP that includes investment manager(s), and/or other investments, such as, mutual funds, exchange traded investments, collective trusts, and/or alternative investments, while CAP Select recommendations are limited to alternative investments held at UBS (eligible investments in both programs are collectively referred to as "investments") that align with your investment policy guidelines and asset allocation strategy. Investment recommendations are

limited to those which are offered by the Firm and/or for which the Firm has conducted due diligence or has otherwise reviewed. We cannot assure you that we will continue to offer or review any of the investments identified through our searches.

(c) Portfolio Review, Evaluation and Reporting. In addition to individual quarterly performance reports for your individual Program accounts, we will provide quarterly portfolio evaluation and review of all Accounts in your CAP Select Account and for UBS-CAP Portfolio (the latter) on a consolidated basis, including reviewing performance on an absolute and relative basis. Based on your overall objectives and performance of your investments, we will assist you in evaluating potential adjustments and if appropriate we will assist you in conducting a search for new investment managers or investments. We can also provide reports which include performance information, comparisons and other information for a variety of investment strategies.

2. Investment Advisory Program Selection and Implementation of UBS-CAP Services. You can implement your UBS-CAP asset allocation and the results of investment searches through one or several advisory programs offered by the Firm. It is important you understand that these programs are separate and distinct and offer different services, features, fee schedules, structure and administration, depth of research conducted on the managers available in the programs, and compensation to Financial Advisors. Please review the Form ADV Disclosure Brochure carefully as you decide which programs are appropriate for your investment needs. We will provide UBS-CAP Services described above for all Program Accounts established under your name and social security number or multi-TIN where appropriate - the eligible Advisory Programs listed below based on the implementation option you have selected (i) Non-Discretionary; (ii) Non-Discretionary Limited POA for implementation of Client Directed Investment Activities; and (iii) POA for Limited FA Discretion Services. **The UBS Advisory Programs eligible for UBS-CAP as well as the different implementation options are described below.**

UBS-CAP Implementation Options	ACCESS (Affiliated and Unaffiliated Managers)	MAC (Affiliated and Unaffiliated Managers)	PMP Includes PMP accounts managed by your Financial Advisor or another PMP Portfolio Manager	Strategic Advisor (But only accounts without Alternative Investments)	Strategic Wealth Portfolio	Advisor Allocation Program	Alternative Investments	PACE Select & PACE Multi, and UBS Advice Portfolio Program	Can Assets Held Away be included in the CAP Relationship?
Non-Discretionary – No LPOA	Yes	Yes	Yes	Yes-	Yes	Yes	Yes	No	Yes
Non-Discretionary Limited POA for Implementation of Client Directed Investment Activities	Yes	Yes – POA only extends to MAC Researched Managers Only	Yes	Yes	Yes	Yes	Yes – but POA does not extend to Publicly Registered Non-Traded REITs (REIT)	No	Yes, but POA for implementation is limited to UBS Researched Funds, the POA authority does not extend to any activities related to Non-Researched Assets.
POA for Limited FA Discretion Services (Option available only for levelized fee relationships)	Yes	Yes – POA only extends to MAC Researched Managers Only	Yes	Yes – but POA does not extend to these accounts	Yes – but POA does not extend to these accounts	Yes	Yes – but POA does not extend to Private Equity, Private Real Estate and REIT Investments	No	Yes, but POA for implementation is limited to UBS Researched Funds, the POA authority does not extend to any activities related to Non-Researched Assets.

ALTERNATIVE INVESTMENTS ADVISORY PROGRAM

UBS Consolidated Advisory Program Select (CAP Select)

CAP Select services include, but are not limited to: 1) assistance in the development and preparation of investment policy guidelines; 2) the preparation of an asset allocation study and analysis that allocates your investment assets among various alternative investments asset categories or classes; 3) selection of alternative investments; 4) portfolio evaluation and review; 5) ongoing investment management consulting on such items as review of the asset allocation and investment policy and the impact of capital market developments on the overall investment strategy.

You may establish a CAP Select relationship on a fully non-discretionary basis (without any limited power of attorney) or you may delegate certain activities to your Financial Advisor in this Program by selecting the Limited Power of Attorney option in the CAP Select Application and executing the Agreement, and Application. CAP Select offers (1) Limited Power of Attorney for Implementation of Client Directed Investment Activities and (2) Power of Attorney for Limited Financial Advisor Discretion Services.

You may establish a CAP Select Program Account on a stand-alone basis, or in conjunction with a UBS CAP Program Account. CAP Select eligible assets are limited to alternative investment vehicles held at UBS.

\$25,000,000 (relationship size)

All assets: up to 1.00% CAP Select is an advice-only program in which the fee you pay is solely for the investment advice and performance reporting provided in the Program. Custody, trading and execution fees are not applicable or assessed in this Program.

No minimum annual fee

Asset-based fee (Advice-Only / Non-Wrap)

You acknowledge that, unless you have selected, the POA for Limited FA Discretion Services option, you have retained, and will exercise, final decision-making authority and responsibility for the selection of any investment advisory program, establishment of specific accounts at UBS, selection of alternative investments and selection and hiring of investment manager(s) as well as for the implementation of any investment plan or strategy resulting from the services provided under UBS-CAP and/or UBS Select, as applicable.

You will need to execute separate agreements for managers you retain in the MAC Program and you will incur additional fees for those services. You are responsible for negotiating the terms, fees and conditions of your agreement with such manager (or if you selected a Limited Power of Attorney option in UBS-CAP authorizing your Financial Advisor to negotiate on your behalf). When requested by the investment manager(s) and authorized by you, UBS will deduct the investment manager(s) fee directly from your Account. Otherwise, the manager(s) will bill you directly. When the Manager's fee is deducted directly from the Account, the fee billing will be done in accordance with UBS's billing practices which in some cases may be different from those described in the Investment Management Agreement you signed with your MAC Manager. This could result in Manager fee billing that is higher or lower than if the Manager were to bill you directly.

3. Limited Power of Attorney Implementation Options.

UBS-CAP and UBS Select offers two types of limited power of attorney implementation options. Although the activities covered under each option are similar, the most important distinction, and one you should consider carefully when reviewing these options, is the level of involvement you will have, or the discretion you grant to your Financial Advisor, to select advisory programs, investment managers, alternative investments and establish accounts on your behalf.

Regardless of the power of attorney option you choose, if any, the actions taken by your Financial Advisor will be based on the Investment Policy Guidelines and asset allocation you select and approve for your UBS-CAP and/or CAP Select Portfolios. Neither your Financial Advisor nor any UBS employee is authorized to change or approve your Investment Policy Guidelines or your asset allocation on your behalf.

You can terminate the limited power of attorney at any time by notifying the Financial Advisor in writing. Termination of a power of attorney will result in the conversion of your UBS-CAP and/or CAP Select relationship, as applicable, to fully non-discretionary and you will be responsible for the all activities previously delegated to UBS and your Financial Advisor under the relevant power of attorney.

(a) Limited Power of Attorney for Implementation of Client Directed Investment Activities. This option authorizes UBS and your Financial Advisor to take actions on your behalf to implement your program and investment selections based on your instructions.

With this option, for UBS-CAP you determine how you want to implement your asset allocation by selecting the Advisory Programs in which you want to participate, the investment managers you want to engage, and the alternative investments in which you want to invest. Your Financial Advisor then implements your instructions on your behalf, negotiates and executes agreements at your direction, and establishes accounts in the programs you selected. If you include assets held away from UBS, your Financial Advisor will also be authorized to establish a cash account at UBS for tracking and billing purposes if applicable. Under this option for UBS Select, you will select the alternative investments in which you want to invest and your Financial Advisor will execute the subscription documents based on your instructions.

(b) Power of Attorney for Limited Financial Advisor Discretion Services

In contrast to the Limited Power of Attorney for Implementation of Client Directed Investment Activities, the Power of Attorney for Limited FA Discretion Services authorizes your Financial Advisor to implement your asset allocation by, for UBS-CAP, selecting the UBS advisory programs, investment managers and alternative investments in which your assets will be invested without first consulting with you. For CAP Select, this power of attorney will authorize your Financial Advisor to select the alternative investments to implement your CAP Select asset allocation without consulting with you first. Financial Advisors will also have the authority, as applicable based on the eligible assets in each Program, to replace investment managers, redeem alternative investments, close Advisory Program accounts, and transfer funds between Advisory Accounts at UBS in compliance with your asset allocation and Investment Policy Guidelines.

Core Activities Covered Under Both Types of LPOA:

- **Client-Directed Option: You approve your IPG and Asset Allocation; you decide, your Financial Advisor implements.**
- **Limited FA Discretion Services Option: You approve your IPG and Asset Allocation; your Financial Advisor decides how to implement your asset allocation and selects, as applicable, the Advisory Programs, investment managers and alternative investments without consulting you.**
 1. Negotiating investment management fees (only) with affiliated and unaffiliated third party researched investment managers in the MAC Program and executing investment management agreements on your behalf for your UBS-CAP Portfolio.
 2. Establishing advisory accounts on your behalf in eligible Advisory Programs **(see chart above for details on eligible Programs)**. For the Client Directed Option you will provide the Risk Profile for each Account to your Financial Advisor. For the Limited FA Discretion option, your Financial Advisor will complete the Risk Profile Questionnaires for individual Accounts based on the Program Questionnaire you completed at the time you established your UBS-CAP and/or CAP Select Relationship (or as such may be amended throughout your relationship with us).
 3. Establishing a cash account at UBS for billing purposes for Assets Held Away if such assets are included as part of your UBS-CAP Portfolio and for CAP Select portfolios, if

- applicable..
- 4. Completing risk profiles required to establish Advisory Accounts based on UBS-CAP Portfolio Questionnaire.
- 5. Executing subscription, redemption and tender documentation for researched alternative investments you select (proprietary and non-proprietary hedge funds, fund of funds and, where available as an option, private equity) **to purchase in UBS accounts**, including forms for the conversion of brokerage share classes to advisory/institutional share classes when applicable in UBS-CAP and/or CAP Select;
- 6. Take any actions necessary to open and maintain your account(s) in the eligible Advisory Programs, complete and pay for transactions, UBS Investment Advisory Fees, and SMA Manager Fees in your account(s); and
- 7. Execute any other document or agreement which UBS considers necessary or appropriate to carry out the intent of your Advisory Agreement and Client's investment instructions.

In addition to the core POA services described above, the Limited FA Discretion Implementation option also covers:

- 8. The selection of UBS investment advisory programs to implement the client approved asset allocation and IPG for UBS-CAP Portfolio from the list of eligible programs;
- 9. Select, hire and fire third party investment managers in eligible Advisory Programs for UBS-CAP, as well as select, subscribe and redeem alternative investments on your behalf;
- 10. Transfer and reallocate UBS-CAP assets between ACCESS, MAC, and Portfolio Management Program Accounts.
- 11. Select, hire and fire internal PMP Portfolio Managers for UBS-CAP, inclusive of negotiating advisory fees with internal PMP Portfolio Managers (where your Financial Advisor is not the portfolio manager).

The Limited Power of Attorney Options do NOT grant UBS or its Financial Advisors the authority to:

- 1. Execute the Advisory Relationship Agreement;
- 2. Execute the UBS Client Relationship Agreement for Brokerage Accounts;
- 3. Change Program Fees for any Advisory Account without first discussing it with you and obtaining your consent;
- 4. Change account preferences (proxy voting, trade confirmations, or investment restrictions) without first discussing it with you and obtaining your consent;
- 5. Exercise investment discretion in the selection to purchase or sell any securities in the Strategic Advisor, PACE and SWP, ACCESS and MAC Programs or with respect to assets held at other financial institutions;
- 6. (For the Client Directed Option and the Limited FA Discretion Option) Establish accounts in the PACE and UBS Advice Portfolio Programs. In addition, for the Limited FA Discretion option, the restriction also applies to establishing accounts in Strategic Advisor and Strategic Wealth Portfolio.

- 7. Exercise proxy voting authority for Accounts in Strategic Advisor, PACE and the non-discretionary sleeves in SWP;
- 8. Execute the Client Acknowledgement Form for Non-Researched Assets on your behalf, or execute any documents, agreements, forms or subscription or redemption documents in connection with Non-Researched Assets or issue any investment instructions to the custodian of such assets;
- 9. (For Limited FA Discretion) Execute subscription, redemption, tender or any other documentation for any private equity and private real estate investments. This applies to UBS-CAP and CAP Select
- 10. For both the Client Directed Option and the Limited FA Discretion option execute subscription, redemption, tender or any other documentation for any REITs and any forms for the conversion of brokerage share classes to advisory/institutional share classes where applicable;
- 11. Sign any complex products risk disclosure statements required to be signed by clients, including but not limited to, the documents and disclosures required to enroll in the Yield Enhancement Strategy (YES) in PMP, any third party options overlay SMA manager or concentrated equity solutions strategy or any structured product related documents;
- 12. Name beneficiaries for any IRA accounts.

The Power of Attorney for Client Directed Implementation also excludes the following:

- 1. Deciding the manner in which your assets will be allocated or the programs in which accounts will be established;
- 2. Designating him/herself as your portfolio manager in the PMP Program without your consent;
- 3. Transferring assets between your accounts without your instructions and consent.

UBS will not be required to sign or complete (i) any certificate regarding your tax status, (ii) documentation for non-advisory products, including brokerage account agreements for trading accounts, (iii) trust certificates or corporate resolutions, or (iv) any document to the extent that you have not provided UBS with sufficient current information to complete the document accurately and completely.

4. Limited Power of Attorney.

By signing this Agreement, the CAP Application and the respective Form of Power of Attorney, the Client appoints UBS Financial Services Inc. ("UBS"), in Client's name, place and stead, to enter into and sign on Client's behalf with the same effect as though Client directly executed and entered into the same, the documents described in the POA Implementation Option selected in UBS-CAP Application and (i) investment management agreements with unaffiliated and affiliated managers; (ii) forms, agreements and documents necessary to purchase proprietary and third party hedge funds and funds of funds; (iii) agreements to enter into a limited partnership or become a member of a limited liability company or participant in a similar entity that is a hedge fund or fund of funds; (vii) subscription documents for any collective investment vehicle;

(vi) funds transfer documents or directions relating to Client's assets to transfer assets between accounts for Client based on Client's instructions and to effect Client's stated investment intent; and, (vii) any other document or agreement which UBS considers necessary or appropriate to carry out the intent of this Agreement and Client's investment instructions.

Notwithstanding the foregoing, UBS will not be required to sign or complete (i) any certificate regarding Client's tax status, (ii) documentation for non-advisory products, including brokerage account agreements for trading accounts (iii) trust certificates or corporate resolutions or (iv) any document to the extent that Client has not provided UBS with sufficient current information to complete the document accurately and completely.

Client authorizes UBS to grant each investment manager trading authorization on Client's behalf and to appoint each investment manager as an agent and attorney-in-fact with respect to the assets in the accounts to be managed by the investment manager. Pursuant to such authorization, each investment manager may, in its discretion purchase, sell, exchange, convert and otherwise trade in the securities and other investments in the UBS account established for such purchases ("Account"), as well as arrange for delivery and payment in connection with the above. Client understands that we grant each Investment Manager full authorization to issue such instructions to and engage in such transactions with the custodian as may be appropriate in connection with the management of the accounts. We will act on behalf of the Accounts in all other matters necessary or incidental to the handling of the Account, including wire transfers of funds at Client's request from time to time.

In addition, when we invest in proprietary or non-proprietary hedge funds or funds of funds (each an "Alternative Investment Fund") on Client's behalf, we also must enter into various agreements that will be binding on Client and for which we need the power to act as Client's attorney-in-fact. By signing this Agreement, Client appoints us as Client's attorney-in-fact and gives us the power to bind Client to the obligations set forth in such agreements including the following:

Client appoints UBS as Client's agent and attorney-in-fact with full power and authority to do one or more of the following: make, review, execute, acknowledge, deliver or file, on behalf of Client, an investor certificate, a subscription agreement or other purchase agreement and any other documents and materials related to the purchase, sale, transfer or redemption of shares, units or other interests in the Alternative Investment Funds ("Fund Agreements"). As agent and attorney-in-fact for Client, Client authorizes us, among other things, to bind Client to limited partnership agreements, limited liability company agreements and similar agreements in connection with the Alternative Investment Funds. Client acknowledges and understands that such agreements may: limit or preclude Client from voting or otherwise participating in the affairs of the Alternative Investment Fund; provide the general partner, managing member or similar entity in connection with the Alternative Investment Fund with plenary power to control the activities of the Fund; and require Client (along with the other limited partners, limited liability company members or similar persons) to indemnify the general partner,

managing member or similar entity, with respect to their connection with actions taken or not taken with regard to the Alternative Investment Fund.

Client authorizes us to make representations, warranties and agreements and to enter into covenants, on Client's behalf, with respect to the Alternative Investment Funds, including representations regarding Client's eligibility to invest in those Alternative Investment Funds. In making such representations, Client understands and agrees that we will rely, without independent verification, solely on information that Client has furnished to us about Client's goals and objectives and UBS-CAP Alternative Investments Questionnaire and agrees to notify us, in writing, of any material changes to such information. Client also agrees to indemnify and hold us harmless from any liability or loss we may incur if that information is or becomes inaccurate or incomplete.

Client agrees to take full responsibility for, and be subject to the terms and conditions in, all documents, agreements or other materials we execute on Client's behalf and Client authorizes us to debit UBS-CAP Portfolio Account or Accounts for any amount we are required to pay to the Alternative Investment Funds or any other person relating to Client's investment in the Alternative Investment Funds, including amounts with respect to redemption or distribution proceeds paid and later reversed or reclaimed by the UBS Alternative Investment Funds, or to reimburse us for such amount. Client may be required to pay to the UBS Alternative Investment Funds amounts necessary to cover withholding taxes or other tax obligations, reserves, and other debts, obligations or liabilities.

Client also acknowledges and agrees to our right to retain in Client's account redemption or distribution proceeds paid by a UBS Alternative Investment Fund in any amount that we deem necessary or appropriate, to enable us to cover any amount that Client may be required to pay to such fund.

This Power of Attorney shall be subject to, controlled by and interpreted in accordance with the laws of the State of New York, without giving effect to any principles of choice of law or conflict of laws.

The authorizations provided in this Power of Attorney are continuing and shall remain in full force and effect until terminated by Client or us.

5. UBS Investment Advisory Fee, Additional Fees for Investment Management Services and Important Information About Certain Investments.

- (a) **UBS Investment Advisory Fee.** The annual UBS Investment Advisory Fee is a fixed percentage of the assets in all of your account(s) under the Programs. For UBS-CAP, the UBS Investment Advisory Fee covers the investment advice provided by UBS and your Financial Advisor, custody, trading and execution services for account(s) held at UBS Financial Services Inc. and performance reporting services. Except in limited exceptions situations, all accounts you establish, or those established on your behalf, will be billed at the same rate selected in the Application (or as such

may be changed with your consent during the course of the relationship established). The fees must be leveled for relationships with a POA for Limited FA Discretion Services.

- (b) Fees for Investment Managers in the MAC and ACCESS Programs; Other Fees not Covered by UBS-CAP Fee.

UBS-CAP offers the option to have all of your accounts priced at the same level such that Financial Advisors in UBS-CAP who also act as your portfolio manager in PMP will receive the same payout level across all Accounts enrolled in UBS-CAP regardless of Program type or strategy. However, based on discussions with your Financial Advisor, you may agree to different fee schedules for different account types. If you do so, you understand that for accounts with higher fees, your Financial Advisor will receive higher compensation than for other accounts in your UBS-CAP Portfolio.

CAP Select is an advice-only program in which the fee you pay is solely for investment advice and performance reporting provided in the Program. Custody, trading and execution fees are not applicable or assessed in this Program.

The UBS-CAP Investment Advisory Fee does not include the SMA Manager Fees charged by investment managers in the ACCESS, MAC and SWP Programs.

Your SMA Manager will charge a separate fee for discretionary portfolio management services, which UBS negotiates in the ACCESS and SWP Programs and, that for MAC, you negotiate (or if you selected a Limited Power of Attorney option in UBS-CAP authorizing your Financial Advisor to negotiate on your behalf). The SMA Manager Fees when added to UBS Investment Advisory Fees, comprise your total "Program Fee."

In addition, certain investments such as mutual funds, ETFs and alternative investments have internal expenses (for example, management, shareholder servicing and performance fees) that are not included in the UBS-CAP or CAP Select Investment Advisory Fee. You will pay those fees separately to the managers and sponsors of those investments (including UBS affiliates if you have invested in UBS products) in your role as shareholder of those funds. See the *Form ADV Disclosure Brochure, "Additional Compensation"* for more information.

- (c) The UBS Investment Advisory Fee for UBS-CAP services are included in the individual program fees you negotiate with your Financial Advisor. All Program Accounts covered by UBS-CAP will be "related" or "linked" for billing purposes. This means that all eligible assets in those Accounts will be considered together when determining breakpoints, if applicable, in the fee schedule. Relating Advisory accounts can provide the opportunity for price reductions at certain breakpoints. If you choose a breakpoint fee schedule for your Account, you should review and consider the potential benefits of relating advisory accounts. The Program Fee for Advisory Accounts with a breakpoint fee schedule that are terminated prior to the quarterly billing process will be based on the contractual rate for that Account, not the relationship rate.

(d) Portfolio Management Program and Advisor Allocation

Program and Financial Advisor Compensation: Your Financial Advisor may participate in the Portfolio Management Program, a program in which the Financial Advisor manages client assets on a discretionary basis pursuant to a stated investment strategy, or the Advisor Allocation Program, a program in which your Financial Advisor manages client assets on a discretionary basis using a Target Allocation aligned to the client's risk profile

In general, we pay our Financial Advisors a percentage of the commissions and fees (called a payout or grid rate), that each Financial Advisor generates from the clients he or she serves, minus certain adjustments that are requested by our Financial Advisors, according to an established schedule. The percentage payable to Financial Advisors acting as Portfolio Managers in the PMP and Financial Advisors in AAP is based on their total production level at UBS. Although, generally, the percentage is the same across all advisory accounts serviced by the Financial Advisor, the actual amount paid to the Financial Advisor will vary by Program. Financial Advisors who manage assets on a discretionary basis have an incentive to recommend their services in the PMP Program or AAP over those of third party money managers in our other investment Advisory programs or over traditional commission-based brokerage services. **However, subject to limited exceptions, Financial Advisors in UBS-CAP who also act as your portfolio manager in PMP will receive the same payout level across all Accounts enrolled in UBS-CAP regardless of Program type or strategy.**

6. Assets Held Away; Custody:

UBS-CAP and CAP Select are not designed for clients who hold all or a substantial portion of their UBS-CAP Portfolio at other financial institutions. CAP Select is limited to alternative investments offered on the UBS platform. Generally, we require clients with Advisory Accounts to custody their account assets at UBS. In limited circumstances, for UBS-CAP, we may accept certain relationships that hold a limited portion of their alternative investment assets in the custody of other financial institutions that meet the definition of a qualified custodian. If you decide to include these assets as part of your UBS-CAP Portfolio, you may be required to establish a cash account at UBS for tracking of the investments and billing purposes of these assets.

As custodian, we will credit your account with dividends, interest and other earnings on securities in your Account, including principal paid on called or matured securities. We provide these custodial services to you at no additional charge. Those accounts are referred to as delivery versus payment ("DVP") accounts. While this option is available as an accommodation to clients in this Program, we do not recommend doing so, for the following reasons:

- You will incur additional costs in excess of your UBS program fee (for example, custody costs).
- Billing for your Account, including the accurate processing of rebates if applicable, is the responsibility of your custodian, not UBS.
- Quarterly Fee Adjustments (explained in Billing Practices), do not apply to assets not custodied at UBS.

Because all of the assets covered by a UBS-CAP Agreement will be billed at the same UBS Investment Advisory Fee rate, if you decide to include assets held at other financial institutions in UBS-CAP, you will be paying for services that you are not utilizing as it pertains

to those assets, specifically, custody, trading and execution. **Your UBS-CAP Investment Advisory Fee will not be reduced as a result of additional costs you incur as a result of holding assets at other financial institutions.**

For DVP accounts, you agree to use only a "qualified" custodian that is a bank, a U.S. registered broker-dealer or futures commission merchant or a foreign financial institution and meets the definition of "qualified custodian" set forth in Rule 206(4)-3(c)(3) under the Investment Advisers Act of 1940. **You also agree to establish a cash account at UBS for billing purposes of these assets.**

7. Alternative Investments Funds.

When consistent with your investment objectives, risk tolerance and financial circumstances, and upon your request, we may recommend to you alternative investments approved for distribution through the Firm. Investments presented for your consideration will be limited to those that offer advisory/institutional share classes designed to be purchased and held in fee-based accounts. Offering documents for appropriate investment vehicles will be delivered directly to you even in instances in which you have executed a power of attorney for Limited FA Discretion Services.

If you selected a non-discretionary or a client-directed investment activities implementation option, you are solely responsible for your decision to invest in an alternative investment fund.

You acknowledge that alternative investments may be speculative in nature and the investors bear the costs and fees of these funds, including asset-based fees, expenses, and incentive based compensation. If you hold or purchase (or we purchase on your behalf) an alternative investment fund sponsored or offered by UBS or its affiliates, you should be aware that the Firm or its affiliate will receive compensation, possibly including a share of investment advisory fees by the Fund and performance fees, for providing various services to the alternative investment fund that will be based, in part, on the amount of assets you invest in the fund. If you selected the POA for Limited FA Discretion Services, your consent to UBS causing your Account to invest in portfolios, hedge funds or funds of funds managed or sponsored by UBS or its affiliates (each an "Affiliated Fund").

If you adopt Investment Policy Guidelines that permit privately-offered alternative investment funds, such as hedge funds, funds or funds or private equity in your asset allocation, you acknowledge that interests of such funds are sold only to qualified investors, and only by means of offering documents that include information about the risks, performance and expenses of the funds. Offering documents for privately-offered alternative investment funds purchased for you will be provided to you. You further acknowledge your understanding and acceptance of the following risks regarding investments in alternative investments: alternative investment funds are speculative and involve significant risks, performance may be volatile, and investors may lose all or a substantial amount of their investment in an alternative investments fund. An alternative investment may engage in leverage and other speculative investment practices that may increase the risk of investment loss. Interests in alternative investments funds typically will be illiquid and no secondary market for interests usually develops, they are long-term investments (e.g., 10-15 years), are subject to restrictions on

transfer, may suspend redemption, and may be required to provide periodic pricing or valuation information to investors. **In addition, an alternative investment fund may hold back a portion of redemption proceeds, usually in the range of 10%, to cover accrued expenses, contingencies and liabilities. Although only funds that offer advisory or institutional share classes are available in UBS-CAP, such investments will be subject to the respective Program Fee. Given the long-term nature of these investments, it may be more cost-efficient in the long term for you to invest in the brokerage share class and maintain these investments in a brokerage account. We cannot, and do not, guarantee that investing in the advisory share class plus the Program Fee is the more cost efficient option in the long-term. You must review those options carefully before investing.**

Funds Exclusive to Advisory Programs/Accounts. In certain cases, your assets may be invested in certain Affiliated Funds or third party alternative investment funds with share classes that have been created for use or are eligible **exclusively** within Investment Advisory Programs or accounts sponsored or managed by UBS. Most of these investments contain restrictions that limit their use exclusively to Investment Advisory Programs or accounts sponsored or managed by UBS, and may be unavailable for purchase or holding outside of such programs or accounts. When you end your participation in the Program for any reason, that termination will result in the **automatic redemption** of such funds held by or on your behalf and may have tax consequences to you. When you authorize UBS to invest in these types of funds, you also agree to the automatic redemption of the investments upon termination of your account and direct us to effect such liquidation. We recommend that you consider the potential impact of such liquidations and restrictions carefully before participating in the Program.

8. Eligible Non-researched investments in UBS-CAP.

You may request that "*Eligible Non- Researched*" investments be included in the asset allocation analysis and performance reports for your UBS-CAP relationship. Eligible Non-Researched investments are limited to hedge funds, funds of funds and private equity investments held away from UBS and MAC Eligible strategies only. The UBS-CAP POA cannot be used for Eligible Non-Researched investments of any kind. UBS's investment advice in UBS-CAP as it pertains to Eligible Non-Researched Investments is limited to asset allocation, IPG development, and performance reviews. Specifically The inclusion of these investments in an asset allocation analysis does not constitute a recommendation that you continue to hold or add to those investments. Financial Advisors and any other UBS employees **are prohibited from making** specific investment recommendations to buy, sell or hold these investments on an ongoing basis as UBS does not perform initial or ongoing due diligence on these investments or strategies.

Inclusion of Eligible Non-Researched Investments is an accommodation only and they cannot represent a significant portion of the portfolio. High levels of these investments may lead to termination of the relationship. Non-Research investments for CAP Select.

Non-Researched investments are not subject to the Firm's due diligence or research process or otherwise approved for sale

solicitation or recommendation by UBS and its Financial Advisors and employees. Only Eligible Non- Researched Investments for which there is a written acknowledgement on file may be included in UBS-CAP services and for purposes of calculating the UBS-CAP Program Fee. Because the value of such Eligible Non-Researched Investments will be included for purposes of calculating your Program Fee, you should carefully consider that, as it pertains to those non- researched assets, you will be incurring costs and not fully utilizing the benefits and services offered in UBS-CAP. We reserve the right to accept or decline these requests. Non-researched assets may not constitute a significant portion of UBS-CAP Portfolio. You understand that your decision to include non-researched assets in UBS-CAP is against our recommendation and doing so will result in additional costs to you and higher compensation to UBS and your Financial Advisor.

9. Client Information and Responsibilities.

You are responsible for, and may not grant discretion to UBS or your Financial Advisor discretion to (i) execute the Advisory Relationship Agreement; (ii) execute the UBS Client Relationship Agreement for Brokerage Accounts; (iii) change Program Fees for any Advisory Account without first discussing it with you and obtaining your consent; (iv) change account preferences (proxy voting, trade confirmations or investment restrictions,) without first discussing it with you and obtaining your consent; (v) exercise investment discretion in the selection to purchase or sell any securities in the Strategic Advisor, PACE and SWP, ACCESS and MAC Programs; (vi) establish accounts in non-discretionary programs such as Strategic Advisor, PACE and Strategic Wealth Portfolio; and (vii), exercise proxy voting authority for your Accounts and the non-discretionary sleeves in SWP Name beneficiaries for any IRA accounts.

10. Implementing your Asset Allocation.

Unless you have selected the POA for Limited FA Discretion Services implementation option, it is your responsibility to determine whether and how to implement the target asset allocation/ investment strategy and to ensure that your asset allocation continues to be consistent with your goals and your UBS-CAP and CAP Select Portfolio Questionnaire over time. You may deviate from your target asset allocation only by a pre-determined level based on your risk tolerance. We will notify you if your allocation shifts and is no longer within the standard deviation range for your stated risk profile and if those inconsistencies continue for a period of time. You are responsible for addressing any inconsistencies, if you do not take action to update the account profile or modify your asset allocation, the UBS-CAP and/or CAP Select Relationship, relationship and/or underlying account(s) will be terminated.

11. Trading & Execution Authorization.

You understand that by granting us limited power of attorney to execute investment management agreements on your behalf, we are authorized to grant each Investment Manager trading authorization on your behalf and to appoint each Investment Manager as an agent and attorney-in-fact with respect to the assets in the accounts to be managed by the Investment Manager, consistent with the Investment Policy Guidelines.

Pursuant to such authorization, each Investment Manager may, in its discretion and at your risk, purchase, sell, exchange, convert and otherwise trade in the securities and other investments in the Accounts assigned to them, as well as arrange for delivery and payment in connection with the above.

You understand that by signing on your behalf, we grant each Investment Manager full authorization to issue such instructions to and engage in such transactions with the custodian as may be appropriate in connection with the management of the accounts.

We will act on behalf of the Accounts in all other matters necessary or incidental to the handling of the Accounts, including wire transfers of funds at your request from time to time. The trading authorization is a continuing one and shall remain in full force and effect until terminated by you or us pursuant to the provisions of this Agreement.

12. Limits of Responsibility; Indemnity

You agree to indemnify and hold UBS harmless from (a) any and all claims that may arise against UBS by reason of UBS having relied on the grant of Power of Attorney hereunder; (b) any claim that an action was unauthorized if it was undertaken pursuant to instructions given by any Authorized Person, including you; (c) any claim that an action was unauthorized if it was based on information you provided UBS about your current financial situation and investment objectives, policies or other guidelines applicable to your assets; and (d) any claim that may arise against UBS by reason of UBS having relied on the grant of authorization to grant each Investment Manager trading authorization on your behalf and to appoint each Investment Manager as an agent and attorney-in-fact with respect to the assets in the accounts to be managed by the Investment Manager.

Schedule B - Discretionary Programs: UBS Advice Portfolio Program, PMP and AAP

B1. UBS Advice Portfolio Program

Effective May 3, 2021, UBS Financial Services Inc. and UBS Asset Management entered into a sub-advisory agreement pursuant to which UBS Asset Management will act as the discretionary investment manager for assets in the UBS Advice Portfolio Program.

The UBS Advice Portfolio **Program** is a wrap fee program that offers investment advice, custody, trading/execution and performance reporting for an asset based fee instead of paying for some or all of those services separately in a commission-based brokerage account. The Program offers clients a digital solution in which UBS Asset Management manages the assets under a specific investment strategy/style selected by the client.

The Program may not be appropriate for clients with the following preferences or eligibility:

- A short-term investment horizon.
- A desire to maintain consistently high levels of cash or money market funds in their accounts.
- A preference to maintain highly concentrated positions that will not be sold regardless of market conditions.
- Clients who do not expect to conduct any trading in their accounts.
- Clients who would qualify for breakpoint discounts in a commission-based account, invest with a single mutual fund firm and do not expect to use the services available in the programs may find a commission-based account to be a more cost-efficient option;
- The asset based fee option may result in the client paying more or less than they might otherwise pay if they purchased the services separately in a brokerage account.

UBS Asset Management is responsible for the development and ongoing maintenance of the model portfolios used in the Program and leverages a proprietary portfolio management algorithm licensed from Nvest, Inc., parent company of SigFig Wealth Management LLC ("SigFig"), for ongoing monitoring, rebalancing and tax loss harvesting.

The algorithm, which is used to manage individual Accounts, has been customized to incorporate UBS views on capital market assumptions, asset allocation, security selection, trade and rebalancing thresholds. The algorithm will generate a recommended target allocation and recommended portfolio based on your responses to the Questionnaire. The Questionnaire has been customized based on UBS specifications. Once your Account is enrolled in the Program, the algorithm will review your Account on a daily basis to determine if rebalancing is necessary or, if selected, if tax harvesting opportunities are available. Because these reviews occur automatically, the algorithm might rebalance accounts without regard to market conditions or on a more frequent basis than you might expect and does not address prolonged changes in market conditions. Pursuant to the terms of its licensing agreement with SigFig, UBS pays SigFig a fee based on the assets enrolled in the UBS Advice Portfolio Program in addition

to software maintenance and other fees. SigFig is an SEC-registered investment adviser, however SigFig is not acting as an investment adviser or sub-adviser to clients in the UBS Advice Portfolio Program. SigFig offers investment advisory services using their proprietary algorithm but without the UBS customizations, research and portfolio management. Those products are available to you away from UBS at different, and sometimes, lower fees than the UBS Advice Portfolio Program.

UBS Financial Services Inc. and SigFig entered into a strategic alliance to develop financial technology for UBS Global Wealth Management which included an equity investment in SigFig. Neither UBS Financial Services Inc. nor any of its affiliates or employees control directly or indirectly the operations of SigFig or its affiliated companies.

The UBS Advice Portfolio *Program* is accessible through the UBS Advice Advantage *service*, a digital *service* that features UBS analytics, including portfolio diagnostics on your investments at UBS and held away. The *service* is a broker-dealer service that is available to you free of charge. It also provides access to the UBS Advice Portfolio *Program*, a new, "digital" discretionary investment advisory program in which UBS manages your assets for an asset-based fee. **You do not have to enroll in the Program in order to use the free service.**

As a wealth management firm providing services to clients in the United States, UBS Financial Services Inc. is registered with the U.S. Securities and Exchange Commission (SEC) as a broker-dealer and an investment adviser, offering both brokerage (for example, UBS Advice Advantage analytics) and investment advisory services such as the UBS Advice Portfolio Program.

(a) Key Assumptions of the Algorithm: The key assumptions of the algorithm are rooted in the UBS Capital Market Assumptions (CMAs), Strategic Asset Allocation (SAA), and covariance matrix assumptions.

CMAs can be defined broadly as the estimated returns, variances (risk), and correlations between individual asset classes. The CMAs are a core component of the process used to measure the estimated risk and return of a portfolio, and also to establish the Firm's Strategic Asset Allocation (SAA) models. Our SAAs consist of a series of portfolio allocation models - each designed with different client types in mind. Each SAA reflects our capital market assumptions and a set of typical investor characteristics, such as tax status and risk tolerance. Our risk bands represent the lower and upper bound risk levels for each of the five investor risk profiles: Conservative; Moderately Conservative; Moderate; Moderately Aggressive; and Aggressive. They continue to be anchored around the capital market assumptions.

UBS Advice Portfolio model portfolios are constructed to generally deliver the strategic asset allocation for a given investor risk profile, with asset class exposure typically implemented with exchange traded funds (ETFs). Model ETFs are selected based upon a number of criteria, including but not limited to asset allocation fit, cost, liquidity, and implementability in the context of minimum investment requirements for the UBS Advice Portfolio program. Replacement or restriction securities for the models are also selected under these criteria, but also follow other selection criteria that may allow for clients to benefit from tax loss harvesting trades.

A guiding assumption of the algorithm is that it will keep clients within their desired risk profile by monitoring account level volatility

according to the CMAs and SAAs. In instances where an account drifts beyond the bands of its risk profile, it will be automatically rebalanced to the target model SAA. Further, individual asset classes also have thresholds in regards to the amount that they may deviate from the target model SAA. In instances where any asset class has drifted beyond a set threshold, the algorithm will automatically rebalance the entire account to the target model SAA.

There are additional limitations in relation to the automated Tax Loss Harvesting logic within the algorithm. Tax loss harvesting (TLH) opportunities depend on a variety of factors, including but not limited to market fluctuations, position cost basis, and account size. Securities prices must fluctuate to some degree to create unrealized losses for potential TLH opportunities. Generally, declining markets produce more conducive environments for tax loss harvesting. Our algorithm conducts daily scans for 1) a specific percentage level loss in qualifying lots and 2) a pre-determined dollar loss for that security. These two criteria in combination serve to trigger a tax loss harvesting trade. Generally, larger accounts will meet the criteria for tax loss harvesting more frequently than smaller accounts due to the dollar loss threshold. Frequent or recurring deposits may also impact our ability to tax loss harvest. There is no guarantee that the necessary conditions will exist for meaningful TLH trades to occur in your account. If TLH trades are not executed in your Account, we undertake no obligation to notify you, and your Program Fees will not be reduced.

The UBS Asset Management personnel oversee the algorithm. They are responsible for setting the model's strategic asset allocation, identifying the appropriate securities, identifying the tax loss harvesting securities and the creation of the white list. The UBS Asset Management personnel may manually override the algorithm in the scenarios listed above. Beyond this oversight, human involvement in the management of individual client accounts includes but is not limited to the following; corporate action monitoring, monitoring for ineligible securities for strategy and trading activity, position control (monitoring the allocation of accounts to align to model within designated thresholds), review and release of trades, Principal Agency (ineligible transactions), and monitoring of individual account volatility.

Circumstances that may cause us to manually override the algorithm include the following situations:

- Volatile market conditions
- Investment Committee discretion
- technology failures
- trading volumes
- the availability of funds
- Other matters reasonably beyond our control

(b) Strategies and Models. The UBS Advice Portfolio Program offers investment strategies that consist of diversified portfolios of mutual funds and/or exchange traded funds ("ETFs") and cash in a single account that is managed on a discretionary basis by UBS Asset Management consistent with the investment strategy you select. Other mutual funds or ETFs not chosen for inclusion in the portfolios may have characteristics similar or superior to the mutual funds or ETFs selected for inclusion. There is no guarantee the diversified portfolios will meet their objectives or will result in positive investment returns.

(c) Digital Investment Advisory Program. The UBS

Advice Portfolio is a digital program that provides documents and disclosures pertaining to your Account(s) in the Program will be delivered to you electronically. The enrollment in the Program is conditioned on your acceptance of electronic delivery for all Program related documents and disclosures. You may change your electronic delivery instructions at any time by contacting your Financial Advisor or by logging onto www.ubs.com/edelivery. However, removal of the electronic delivery preference for the UBS Advice Portfolio account will result in termination from the Program and the preference for Accounts enrolled in other Advisory Programs will be changed to paper delivery of documents.

(d) Digital Enrollment: Risk Profile Questionnaire, Investment Strategy Selection and Suitability. To enroll in the UBS Advice Portfolio Program, you will answer a series of questions to determine your risk profile. Based on your responses, you will be presented with an investment strategy. You can select that investment strategy for your Account or customize your investment strategy so long as it is consistent with your risk profile. You can also change your investment strategy in the future if there has been a change to your financial situation, investment goals, or ability to tolerate risk, or for any other reason.

You must use an online process to enroll in the UBS Advice Portfolio Program. You can do so directly through the online tool or with the assistance of a Financial Advisor. The enrollment process seeks to determine whether the Program is appropriate for you and, if so, to recommend an investment strategy, but the process may not elicit the same information from you as a face-to-face interview would. The UBS Advice Portfolio Program does not consider your concentration in any securities, income, debt, assets held outside the Account, or other financial considerations and as such is not a complete investment program and may not be suitable for all investors. You should consider the suitability of the Program based on your financial needs and investment objectives. While assistance from your Financial Advisor is available to you, you are responsible for the answers, which determine which investment strategy will be presented to you for your selection and approval.

You should carefully consider whether your participation in the Program, and whether any investment strategy you choose, is appropriate for your investment needs and goals prior to enrollment.

You may change your investment strategy at any time by going online and completing a new Questionnaire. Any assistance you may receive from a Financial Advisor is for educational purposes only. You are solely responsible for enrolling in the Program, choosing your investing strategy and neither UBS nor any of its employees are responsible for your decisions. The Program is intended for long-term investors and is not a cash management program.

(e) Updates to your Information and Financial Advisor Support. If a material change occurs to your goals, financial circumstances, or investment objectives, or if you wish to impose or modify reasonable restrictions on the management of your Account, it is your responsibility to promptly update your information online or contact your Financial Advisors so that they can update the information on your behalf.

UBS will not change your portfolio selection unless you update your

investment profile through UBS Online Services. A UBS Financial Advisor will be available by telephone or web chat to respond to your questions and assist you with any changes or updates to your Account or personal information. Changes to the goals, financial circumstances or investment objectives for other Accounts you have with UBS will not change the information for your UBS Advice Portfolio Program.

Investment Restrictions. If you elect to impose investment restrictions on the management of your Account, you understand that this may result in delays in the management of your Account and that you may be notified that your Account cannot be managed with those investment restrictions. Such changes may affect the performance of the Account and UBS is not responsible for any deviation in the performance of the Account as compared to an unrestricted account invested in the same model portfolio without the restriction. Some securities may not be restricted due to the requirements of the asset allocation and the tax loss harvesting service.

Restricting securities will not disqualify you from enrolling in the tax loss harvesting service.

We may refuse to accept an account for management in cases where we find the restriction to be onerous or where it impedes our ability to implement our strategy in your account or implement tax harvesting options you select for your account.

- (f) **Aggregation.** UBS may, but will be under no obligation to, aggregate purchase or sale orders for your Account(s) in the UBS Advice Portfolio Program.
- (g) **No Trading Access.** UBS will make the trading decisions in your Account, and, once enrolled in the Program, you will not be able to place trades in your Account.
- (h) **Tax Loss Harvesting.** After your account is enrolled in the UBS Advice Portfolio Program, you can add tax loss harvesting services. The service is available for taxable accounts only and applies to select UBS Advice Portfolio model securities and other securities that we have designated as acceptable substitutes to the primary model securities. The service has important limitations which you should consider prior to enrolling as such limitations may impact the overall value of the service to you. **We may not execute tax loss harvesting for specific securities in your account if we determine doing so will impact UBS's ability to manage your account.**

Once this feature is added, your election will be applied to all additional taxable accounts you establish in the Program. We will implement tax loss harvesting services during the initial funding and ongoing management of your account subject to the following limitations: (1) Securities must be held for at least 30 days to be eligible for tax loss harvesting and must have a qualifying loss as defined in (4) below 2) Tax loss harvesting will be applied to securities in your Account only if we have designated an acceptable replacement security. The designation of acceptable replacements can change frequently due to availability of the securities and at the discretion of UBS; (3) the feature is applied to accounts enrolled in the UBS Advice Portfolio program, not to your entire portfolio at UBS. This is

important because tax losses are subject to "wash sales" rules. A wash sale occurs when you sell a security and buy within a 30- day period a substantially identical security. If you or a spouse buy or sell any securities that overlap with the UBS Advice Portfolio's selected securities in another account during the wash sale period, these losses may be disallowed. (4) For ETFs, only tax lots with losses with certain minimum levels from the cost basis are considered an eligible lot for tax loss harvesting and within each individual security these eligible losses must be equal to or greater than \$500.

Tax loss harvesting (TLH) opportunities depend on a variety of factors, including but not limited to market fluctuations, position cost basis, and account size. Securities prices must fluctuate to some degree to create unrealized losses for potential TLH opportunities. Generally, declining markets produce more conducive environments for tax loss harvesting. Our algorithm conducts daily scans for 1) a specific percentage level loss in qualifying lots and 2) a pre-determined dollar loss for that security. These two criteria in combination serve to trigger a tax loss harvesting trade. Generally, larger accounts will meet the criteria for tax loss harvesting more frequently than smaller accounts due to the dollar loss threshold. Frequent or recurring deposits may also impact our ability to tax loss harvest. There is no guarantee that the necessary conditions will exist for meaningful TLH trades to occur in your account. If TLH trades are not executed in your Account, we undertake no obligation to notify you, and your Program Fees will not be reduced.

Tax loss harvesting will not be performed on asset classes that do not have suitable replacement securities. The availability of suitable replacement securities for asset classes is subject to change (without notice to you) as it is based on the availability of qualifying replacement securities as determined by UBS in its discretion. Tax loss harvesting is not intended to eliminate taxes altogether, but to offset current year taxable gains .

UBS does not provide tax advice and the tax loss harvesting service is not meant and should not be construed as such.

You are responsible for any tax implications and/or tax obligations resulting from your decision to enroll in the Program, your selection of investment strategies, and the selection of Tax Loss Harvesting features for your Accounts. You should consult with your own professional tax counselor with respect to tax matters.

We attempt to select "similar" investments to replace existing investments as part of the strategies based on certain established security attributes, e.g., historical returns, correlations, and portfolio construction. We do not warrant or guarantee that these similar investments will, in fact, perform similarly to the replaced investments, nor do we warrant or guarantee that this tax loss harvest with a replacement will in fact lower the investor's tax obligations.

We require written notification of specific restricted securities if you are prohibited from investing in any individual investment. Such prohibitions may alter the "similar" investment we select as part of the strategies, and may alter the effectiveness of the strategies. You must notify us immediately if any of the investments recommended or purchased as part of the Strategy violate such restrictions.

- (i) **Withdrawals** - You may withdraw assets from your

Account by completing an online request or contacting your Financial Advisor. If the market value of the Account falls below the minimum asset threshold due to withdrawal of assets, UBS will require you to deposit additional money or eligible securities to bring the Account to the required minimum. UBS reserves the right to terminate the Account if the Account is not brought up to the required minimum. Withdrawals from IRA accounts may incur tax consequences, which will be your sole responsibility.

(j) Rebalancing. UBS will use portfolio management software to rebalance your UBS Advice Portfolio Program Accounts periodically by buying ETF shares. Your Advice Portfolio Account's asset allocation and/or the risk profile for your chosen investment strategy will be considered when evaluating the need to rebalance. UBS will rebalance accounts if the allocation of the ETFs in your Account deviates from target levels by more than an amount specified in the Program's parameters, which are subject to change from time to time, Your Account(s) will be rebalanced if your Account moves outside its targeted risk profile. Your Account will also be rebalanced if you change your risk profile or when you seek to impose or modify restrictions on the management of your Account. You understand that while the system will monitor your Account daily, it does not mean your Account will be traded daily. During periods where your Account does not drift outside of the established parameters, no rebalancing trades will be required. Accounts will be automatically rebalanced according to the aforementioned guidelines, but in instances where the account value drops below a minimum threshold UBS may be unable to rebalance the account to meet the parameters. In these situations, you may be required to restore your account assets to a minimum level, or in certain circumstances, may be required to end your participation in the Program.

UBS Advice Portfolio Program; Automatic Services and Redemptions. For assets in the UBS Advice Portfolio, you may instruct UBS to make cash available to you by redeeming portfolio shares in accordance with your instructions. When making redemptions from your Account, we first consider your investment strategy and redeem those investments where your Account is overweighted. You may select the day of the month that the funds are desired (in months where your selected day is not available, funds will be made available the prior business day). Note that if automated redemption takes your account balance below the technical minimum required for the Program, UBS may terminate your account from the Program.

B2. UBS Advisor Allocation Program

Program Description: AAP is a discretionary investment advisory program in which you authorize your Financial Advisor, without first consulting you, to: establish and change a target allocation (Target Allocation) based on your responses to the Risk Profile Questionnaire for the account; select and replace investments to fill the Target Allocation; establish and change rebalancing frequency and threshold designed to maintain your account in line with the Target Allocation; rebalance and reallocate the account at any time. The initial Target

Allocation, investments and rebalancing frequency threshold for the account will be set forth in a written proposal and we will notify you when your Financial Advisor makes changes.

The program is designed for clients who 1) want to delegate asset allocation and investment discretion to their Financial Advisor and other discretionary investment managers; 2) are looking to implement a medium to long-term investment plan using mutual funds, ETFs and SMAs following an asset allocation strategy; and 3) prefer the consistency of fee-based pricing.

AAP assets are held in one account, but segregated within that account into sub-accounts. The sub-account investment options include mutual funds, exchange traded funds and researched SMA strategies managed by affiliated and non-affiliated investment managers. This includes SMA strategies that offer value-added services, such as active (also referred to as personalized) tax management and sustainable investing, and charge a Premium Services Fee. The AAP account requires a minimum of five sub-accounts if the allocation includes only mutual funds and ETFs, or at least three sub-accounts if there is at least one separately managed sub-account ("SMA sub-account"). Currently there is a maximum of 35 sub-accounts within an AAP account.

SMA sub-accounts are managed on a discretionary basis by the SMA Manager. If your Financial Advisor selects SMA strategies for the account you will also be charged the applicable SMA Manager Fee or Premium Services Fee, which will vary depending upon the strategy. These manager fees are in addition to the UBS Investment Advisory Fee, and together these fees comprise the "Blended Program Fee."

Clients in AAP have the ability to impose reasonable investment restrictions on the management of the AAP account, as described in Section I.M. Investment Restrictions. In addition, clients have the option to elect to vote their own proxies or delegate proxy voting authority to their SMA Manager (for assets in the SMA sub-accounts), or to Institutional Shareholder Services Inc. (for the mutual funds and ETFs over which the Financial Advisor has discretion). For details please see Section I.P. Proxy Voting, Corporate Actions, Class Actions and Other Related Events. Clients also have the option to receive confirmations for transactions in the SMA sub-accounts on a monthly basis instead of as the transactions take place. See Section I.O. Trade Confirmations, Statements and Performance Reporting. These options can be established when you open your account.

We are currently working on updates to the AAP Program to provide the option to allow for the automatic distribution of interest and dividend income from AAP. We will notify you in advance when this enhancement becomes available to your account.

Account Funding: You may fund your AAP account by depositing cash and/or eligible securities. In addition to the other authority you have given us in this Agreement, for AAP Accounts you authorize and direct UBS and/or your SMA Manager to take the following actions on your behalf in accordance with your Target Allocation:

- (i) allocate securities you deposit to fund your Account to one or more of your SMA Managers that hold such securities in their investment strategy. When multiple SMA Managers are selected for the account, they will be funded according to the priority explained in Funding Multiple SMA Managers below.

(ii) liquidate those securities you deposit to fund your Account that are not part of your SMA Manager(s) strategies or models, and allocate the proceeds in accordance with the Target Allocation (see discussion below regarding accounts with SMAs that provide active tax management services).

(iii) liquidate any securities that you contribute to your AAP Account or that are delivered to your AAP Account subsequent to the initial funding, either by transfer of securities or as a result of a corporate action with respect to any security in your account. We will allocate the proceeds to the most under-weighted sub-account first. Note that this could result in the re-purchase of contributed securities.

We will execute those transactions free of commission charges, but, depending on the type of security involved, those liquidations may result in you incurring redemption charges and taxable gains or losses. You should review the potential tax consequences of these liquidations with your tax advisor before funding your account with securities. Liquidations will be effected within a reasonable period of time at the then prevailing market prices. We will not be responsible for the loss of potential gains due to movements in market prices or changes in market conditions.

Funding Multiple SMA Manager Sub-Accounts

If the Target Allocation selected by your Financial Advisor includes two (2) or more SMA Managers, either at the time you initially open the Account or upon reallocation, funding will occur as follows:

-If funding with cash alone, SMA Managers will be funded in the order that would result in the least amount of cash being left uninvested. For instance, if there are two SMA sub-accounts, the SMA Manager with the highest minimum investment will be funded first and the additional SMA Manager funded thereafter.

-Where two SMA Managers would have the same minimum funding, we use a random selection methodology to identify the SMA Manager to be funded.

-With respect to cash that remains after the maximum number of SMA Managers can be funded to meet their respective investment minimums, these funds will be invested in mutual funds and/or ETFs if part of the Target Allocation, or in the sweep option for the account.

-If you fund your account with securities ("funding securities"), all fixed income funding securities will be allocated to the fixed income SMA Manager(s) first for a determination on retention or liquidation, even if the total value of the fixed income funding securities exceeds the allocation to the fixed income SMA Manager(s). Upon liquidation of fixed income investments to meet the appropriate allocation for the fixed income SMA Manager(s), the money will be allocated to your other SMA Managers and/or other investments.

-Equity funding securities will be allocated to the SMA Manager whose investment strategy is comprised of the greatest amount

of securities that match the equity funding securities, based on dollar value.

-Equity funding securities that are not part of the equity SMA Manager's portfolio will be liquidated as described above, to the extent necessary to meet the SMA Manager's investment minimum (except as described below for accounts with active tax managed SMA strategies). To the extent that additional SMA Managers can be funded, that funding shall be based on this logic in order of highest to lowest match of equity funding securities to securities in the SMA Managers' respective investment strategies.

Therefore certain sub-accounts will not be funded if there is not sufficient cash and/or securities to fully fund the account according to your Target Allocation.

Your AAP Program Account will typically become active for transactions within seven (7) business days of the acceptance of your Account.

Your initial AAP Program Fee will be based on the Target Allocation selected by your Financial Advisor, rather than on your actual asset allocation, as in certain circumstances, one or more Investment Managers may not be fully funded for a limited period of time and your Target Allocation may not be fully implemented. (Please see **Section U. Program Fees** and the sub-section titled *For SWP and AAP Accounts Only* for details regarding the Blended Program Fee; that subsection has been revised to incorporate references to AAP).

Funding an Account With Active Tax Managed SMA Strategies

We expect to make active tax managed SMA strategies available in AAP in the future. For AAP accounts with an active tax managed SMA strategy, any non-matched equity funding securities will not be automatically liquidated. Instead, these non-matching securities will be directed to the active tax managed strategy investment manager for review and potential inclusion in that SMA sub-account. That investment manager will be responsible for liquidating any securities that are not maintained for the sub-account, and any cash will then be allocated to the remaining sub-accounts as described above. If there are multiple active tax managed SMA strategies, the non-matched equity funding securities will be divided pro rata to those managers based on the Target Allocation to those strategies.

FA-Discretionary Assets

The following rules apply to the mutual fund and ETF sub-accounts for which your UBS Financial Advisor acts in a discretionary capacity ("FA-Discretionary Assets" or "FA-Discretionary sub-accounts"):

- All purchases and redemptions of AAP FA-Discretionary Assets will be made pro-rata according to the Target Allocation for the account.
- Investments will be subject to maintaining the minimum cash level ("Cash Level") for billing and other liquidity needs, and to our minimum trade requirements (currently \$200 and subject to change).
- The initial Cash Level will be approximately 1% of the asset value of the respective FA-Discretionary Asset sub-account and can fluctuate between 0.5% to 1.5%. If the Cash Level is outside of this range, the respective sub-account will be re-

balanced to a Cash Level of approximately 1%, however if the trade dollar amount required is at or below our minimum trade requirement no trades will be executed. The per share value of certain investments can cause the Cash Level to exceed 1.5% of the asset value of the respective FA-Discretionary Asset sub-account and, in such cases, the Cash Level will be maintained at this higher percentage.

Rebalancing and Reallocation: Your Financial Advisor can rebalance or reallocate the account at any time, and will also select an automated rebalancing option (quarterly, annual or semi-annual) to help ensure the account remains aligned with the Target Allocation. Your AAP Program assets will be automatically reviewed for rebalancing to the Target Allocation based on this selection. Rebalancing will occur (subject to our minimum trade requirement) if, on the rebalancing date, your account is above the minimum funding requirement and the amount of your Program assets in any asset category deviates from the allocation of the selected Target Allocation by more than 3%, 5%, or (for taxable accounts) 10%. Accounts are rebalanced as follows:

- Annual rebalancing generally will occur on the Monday (or next business day if Monday is a holiday) following the anniversary of your account opening date.
- Semi-annual rebalancing generally will occur on the Monday (or next business day if Monday is a holiday) following each six month (180 day) and annual anniversary of your account opening date.
- Quarterly rebalancing generally will occur on the Monday (or next business day if Monday is a holiday) following each three month (90 day), six month (120 day), nine month (270 day) and annual anniversary of your account opening date.
- Automatic rebalancing for any account where the risk of the current allocation is higher or lower than the Account's stated risk tolerance for 4 consecutive quarters will take place during the 5th quarter and will bring your asset allocation back to the Target Allocation, overriding the 3%, 5% and 10% threshold rules stated above. If in the 5th quarter before rebalancing the account comes back into its risk band but is still out by the 3%, 5% or 10% threshold selected, the account will be rebalanced according to the option your Financial Advisor selected. Your Advisory Account Review will show whether your allocation is no longer within the standard deviation range for your stated risk profile.
- In addition, regardless of the 3%, 5% or 10% threshold selected, automatic rebalancing will be conducted for Accounts that deviate from established program guidelines for specified time periods. These guidelines include single mutual fund or ETF position concentrations greater than 35%, or single SMA strategy concentration greater than 70%, for 4 consecutive quarters. Accounts are rebalanced during the 5th quarter if the concentration remains above the guideline and will bring the asset allocation

back to the Target Allocation. Accounts that are evaluated as part of an Advisory Account Group will have higher concentration guidelines (see Review of Accounts in Section I.G).

- Accounts scheduled for rebalancing (quarterly, annual, semi-annual or automatic) in November, December and January, will be rebalanced during the first week of February of the following year to avoid any impact to tax trading at the end of the year.

Your SMA Manager(s) are responsible for the separately managed portion of your AAP Account, while UBS will rebalance your FA-Discretionary assets. Your accounts will be rebalanced by selling investments in the overweighted sub-accounts and purchasing a corresponding dollar amount of investments in the underweighted sub-accounts. Rebalancing is completed as promptly as possible. In the event that we are unable to initiate rebalancing as described above due to reasons beyond our control, we will initiate rebalancing as soon as practicable. Market conditions, technology failures, illiquid securities, securities with limited redemption schedules, trading volumes, the availability of funds and orderly purchase and redemption procedures may cause a delay in the processing and/ or completion of the rebalancing. In addition, we may adjust the date on which reviews and rebalancing is done, if necessary, to ensure accurate processing of the review or rebalancing. We may also adjust the rebalancing date if UBS is in the process of reviewing its proprietary capital market assumptions to avoid duplicative rebalancing of accounts and ensure accurate and orderly processing.

Rebalancing will not occur if the account:

- has a pending/unprocessed trade
- has a margin debit, or
- value is below the minimum funding required for the target weight of the investment strategy selected; however, reallocation/rebalancing will occur for an account that is below the minimum funding required so long as the reallocation or rebalancing will not further reduce the asset levels of those sub-accounts.

Rebalancing and reallocation may take up to seven (7) business days to fully implement. However, rebalancing or reallocation of fixed income strategies will take additional time to fully implement.

Contributions and Withdrawals: Contributions to and withdrawals from your AAP Account will be handled as follows:

- (i) Cash contributions will be allocated to the most underweighted sub-account(s), relative to the target weight of the investment strategy selected.
- (ii) If you contribute securities to your account, either UBS and/or your SMA Manager will liquidate those securities and allocate the proceeds to the most underweighted sub-accounts first.
- (iii) If you request a withdrawal from your AAP Account, monies will be withdrawn from the overweighted sub-account(s) with the greatest deviation from the Target Allocation. We will follow that process unless those withdrawals would result in the sub-accounts falling below their respective investment minimum. In those circumstances, withdrawals will be made first, proportionally, from those sub-

accounts that do not have investment minimums. Withdrawals that cause the value of any sub-account to go below the respective investment's minimum may require that your Financial Advisor change the target weightings of the investment strategy or select new investments in order to meet investment minimums.

(iv) If you do not withdraw the cash from the account within 35 days it will be reinvested according the funding rules described above. We will continue to charge the Program Fee on cash until it is withdrawn.

B3. Research

Portfolio Managers in our Discretionary Programs and Financial Advisors in AAP use a variety of research sources in making their investment decisions for your account, including research issued by the Firm, UBS affiliates and independent sources. Portfolio Managers are not required to follow the Firm or UBS-issued research except in limited circumstances and may, in their discretion, take positions for your account that contradict the research issued by UBS and its affiliates. UBS, UBS Securities LLC, and other of our affiliated companies do and seek to do business with companies covered in research reports issued by the UBS Securities LLC research department. Because your Portfolio Manager may rely on those reports for his or her investment strategy, you should be aware that we or our affiliates may have a conflict of interest that could affect the objectivity of those reports.

B4. Investment Strategies

Portfolio Managers in our Discretionary Programs may use a wide variety of investments in managing Accounts, including equity and debt securities of various kinds, pooled investment vehicles such as open- and closed-end mutual funds, exchange traded funds (ETFs) and similar instruments. They also may use option strategies, including, but not limited to, covered calls and protective puts. Generally, short sales are not permitted in the programs. Financial Advisors in the Advisor Allocation Program may choose from mutual funds, ETFs and SMA strategies available on the platform to fulfill a Target Allocation established by the Financial Advisor based on the client's risk profile. In AAP clients do not select a particular strategy or style as they do in PMP.

The standards applied to the performance review of third party managers varies significantly from the review of performance applicable to Financial Advisors in the Portfolio Management Program. Those differences can result in situations in which a SMA Manager is placed on hold or terminated from participating in our Programs, while Financial Advisors in the PMP Program or strategies managed by UBS Portfolio Managers remain available for investment. The different standards of review create a conflict of interest in our recommendation of the strategies managed by our Financial Advisors and our internal Portfolio Managers.

We may, at our discretion, expand/or revise the types of strategies available in these Programs. In certain strategies, and in AAP

accounts, Portfolio Managers or Financial Advisors may invest up to 100% of an Account's cash assets in pooled investment vehicles such as open and closed-end mutual funds, ETFs, and similar instruments. Those strategies or AAP accounts may have portfolios invested in a combination of pooled investment vehicles based on market capitalization, investment style, sector or country (or any combination of the foregoing). Most pooled investment vehicles are established to track an index or other industry benchmark, however, these portfolios may not seek to meet or outperform any such benchmarks since the portfolio will be comprised of a blend of securities. Please review the applicable prospectus and offering documents carefully for a detailed description of the additional fees associated with these securities. **You may be able to purchase these securities directly in the open market without incurring the Program Fee.**

B5. Concentrated Strategies Risks:

If you select a concentrated strategy for your Portfolio, you authorize your Portfolio Manager to implement a concentrated strategy that may also be implemented within a pooled vehicle strategy in a highly concentrated sector basis. These strategies (i) may result in a portfolio representing or concentrating in only one or a limited number of economic sectors, (ii) may include a limited number of securities and overweighing of specific securities, and (iii) may invest in securities whose underlying basket of securities include international or emerging market securities that present risks not typically associated with U.S. equity investments.

The more concentrated your portfolio, the higher your risk exposure will typically be. These concentrated portfolios may not be appropriate for investors who are not willing to accept a much greater risk of loss and volatility of investment returns than the general stock market (as typically measured by the S&P 500 Index) and may not be an appropriate investment for a significant portion of a client's investable assets.

B6. Strategies with Pooled Investment Vehicles and Sector Concentrations

If you authorize your Portfolio Manager to manage your Account using sector concentrations and/or pooled investment strategies, you acknowledge that (i) you have read, understand and are willing to accept the risks involved in investing in those strategies, (ii) you meet the requirements for such investments and (iii) you are willing and able to bear the underlying fees that you will incur in connection with that strategy. Generally, these strategies may have portfolios invested in mutual funds, eligible UITs, ETFs based on market capitalization, investment style, sector or country (or any combination of the foregoing) and/or individual equities and bonds. As in the case of a unit investment trust or open-end mutual fund, by buying an ETF share, you are purchasing an interest in an underlying basket of securities designed to obtain investment results that correspond generally to price and yield performance of a particular index of securities, such as the S&P 500 Index. Like all investments, shares of these vehicles carry risk, including exposure to loss of capital

and incurring fees in addition to the Program Fee. This statement is not intended to enumerate all the risks associated with these strategies.

B7: Important information regarding Option Overlay Strategies

Options Overlay Strategies seek to generate income through the strategic sale and purchase of index options. The options trades are collateralized with marginable securities such as bonds, stocks or cash held in an account. Using the margin release of securities in order to purchase the options positions for the Options Overlay Strategy is known as leverage. You may be required to contribute additional cash or securities as collateral to support the strategy. The maximum losses incurred can be significantly higher than the premiums received. As a result, the potential downside risk of the strategy exceeds the potential upside gain. In addition, it is possible that the investment advisory fee you pay for this strategy or any losses resulting from this strategy could potentially cause a margin debit to occur. Carrying a margin debit would cause margin interest to be charged. The interest rate charged on any negative balances (margin loans) may exceed the rate of return on accounts the client uses as collateral. Options are complex instruments that are not suitable for every investor, may involve a high degree of risk, and may be appropriate investments only for sophisticated investors who are capable of understanding and assuming the risks involved.

Options Overlay Strategies are aggressive and carry a high degree of risk. You should not authorize the use of sophisticated option strategies unless you are prepared to sustain large losses. You should understand the risks of options trading and margin borrowing thoroughly before investing in this type of strategy. In addition, you should see the section of this Agreement which further describes the risks and potential conflicts of utilizing margin and lending in our investment advisory programs. The Program Fee imposed for the Options Overlay Strategy is in addition to any commissions, fees, or advisory fees you are charged on the accounts you use as collateral. Specifically, for Advisory accounts used as collateral, we will include any margin balances in the calculation of your account's asset based fee; the use of margin in your advisory account will increase the compensation paid to UBS FS and our affiliates.

B8: Trade Allocation Practices in Discretionary Programs

Financial Advisors in the PMP Program are not required to aggregate orders across the different strategies they manage. However, in an effort to reduce market impact and to obtain best execution, they may purchase or sell securities in bulk (or orders may be "batched") on the same day for some or all of the Program accounts in the same strategy they manage.

Financial Advisors in AAP are not required to aggregate orders for accounts trading the same ETFs. However, Financial Advisors may process account changes and reallocations for multiple accounts with the same Target Allocation and investments at the same time. In addition, ETF orders across all AAP accounts are processed by a centralized trading team at intervals throughout the day. Orders for the same ETFs processed at the same time will be aggregated and clients will receive, or be charged, an average price per unit and,

when applicable, a pro-rata share of any fees.

Financial Advisors will not trade accounts in the PMP Program with accounts in the AAP Program and orders for the same ETFs across the programs will not be aggregated.

All orders in a batch will receive "average pricing" and the price of securities shown on client confirmations will be the average execution price on either all of the purchases or all of the sales (as applicable) aggregated for this purpose.

Financial Advisors in PMP and AAP are permitted to trade in the same securities they purchase for client accounts as long as they trade their personal and related accounts in the same batch as client accounts. Therefore, when executing orders in PMP, we may batch orders for your Account with orders entered for other accounts in the same PMP strategy, including, in PMP, those of the Financial Advisor assigned to your Account, and the Financial Advisor's related accounts. Similarly, when executing orders in AAP, we may batch orders for multiple AAP accounts, including those of the Financial Advisor assigned to your Account and the Financial Advisor's related accounts.

Allocation of Securities and Opportunities Across Accounts:

Portfolio Managers and Financial Advisors in our Discretionary Programs have broad discretion to trade their Advisory Accounts. There can be no assurance that they can purchase or sell the same securities for all such Accounts at the same time, or that they will aggregate your orders with those of other clients and charge an average price per share or unit and, when applicable, a pro-rata share of any fees. As a result, you may receive different prices and executions for the same securities as compared to other clients investing in the same strategy, or, in the case of AAP, the same Target Allocation. In addition, although we monitor performance and other characteristics of Accounts in PMP and Advice Portfolio Program, investment opportunities will not necessarily be allocated among participating Accounts proportional to their overall amount invested.

Account rebalancing and reallocations

Market conditions, technology failures, illiquid securities, securities with limited redemption schedules, trading volumes, the availability of funds and orderly purchase and redemption procedures and client imposed restrictions may cause a delay in the processing and/or completion of the rebalancing or reallocation. In addition, we may adjust the date on which reviews and rebalancing are done, if necessary, to ensure accurate processing of the review or rebalancing. We may also adjust the rebalancing date if UBS is in the process of reviewing its proprietary capital market assumptions to avoid duplicative rebalancing of accounts and ensure accurate and orderly processing.

We will process the transactions described above unless market conditions, technology failures, trading volumes or other matters beyond our control preclude us from accurately processing on the specified dates. In those circumstances, we will process the transactions as soon as practicable.

Order delays can create system capacity challenges for UBS FSI and other market participants to which UBS FSI routes orders. As a result, clients may suffer market losses during periods of volatility in the price and volume of a particular security when systems problems result in the inability to place buy or sell orders.

C1. Your SWP Account

SWP assets are held in one account, but segregated within that account into sub-accounts with different levels of discretion, features and services. Sub-accounts may be managed on a discretionary basis by SMA Managers. You may also choose to include sub-accounts with mutual funds and ETFs (collectively, "SWP Non-Discretionary Assets") in your SWP Account. The Advisory services we provide for those assets and sub-accounts are non-discretionary, meaning that you have sole discretion as to the purchase and sale of the SWP Non-Discretionary Assets. Accounts that invest only with SWP Non-Discretionary assets will be serviced on a fully non-discretionary basis with the client retaining all investment decisions over the assets invested in those Accounts.

We are currently working on updates to the SWP Program to provide the option to allow for the automatic distribution of interest and dividend income from SWP. We will notify you in advance when this enhancement become available to your account.

C2. Funding Your SWP Account; Authority to Liquidate Securities and Fund Sub-Accounts

You may fund your account by depositing cash and/or eligible securities. In addition to the other authority you have given us in this Agreement, for SWP Accounts you authorize and direct UBS and/or your SMA Manager to take the following actions on your behalf in accordance with your Target Allocation:

- (i) allocate securities you deposit to fund your Account to one or more of your SMA Managers that hold such securities in their investment strategy. If you have selected multiple SMA Managers, they will be funded, at your direction, according to the priority explained in Funding SMA Managers below.
- (ii) liquidate those securities you deposit to fund your Account that are not part of your SMA Manager(s) strategies or models, and allocate the proceeds in accordance with your selected Target Allocation (see discussion below regarding accounts with SMAs that provide active or personalized tax managed services).
- (iii) liquidate any securities that you contribute to your SWP Account or that are delivered to your SWP Account subsequent to the initial funding, either by transfer of securities or as a result of a corporate action with respect to any security in your account and allocate the proceeds to the most under-weighted sub-account first. Note that this could result in the re-purchase of contributed securities.

We will execute those transactions free of commission charges, but, depending on the type of security involved, those liquidations may result in you incurring redemption charges and taxable gains or losses. You should review the potential tax consequences of these liquidations with your tax advisor before funding your account with securities. Liquidations will be effected within a reasonable period of time at the then prevailing market prices. We will not be responsible for the loss of potential gains due to movements in

C3. Funding Multiple SMA Manager Sub-Accounts

If you have selected two (2) or more SMA Managers for your Target Allocation, either at the time you initially open the Account or upon reallocation, funding will occur as follows:

-If funding with cash alone, SMA Managers will be funded in the order that would result in the least amount of cash being left uninvested. For instance, if you selected two SMA Managers, the SMA Manager with the highest minimum investment will be funded first and the additional SMA Manager funded thereafter.

-Where two SMA Managers would have the same minimum funding, you direct UBS to use a random selection methodology to identify the SMA Manager to be funded.

-With respect to cash that remains after the maximum number of SMA Managers can be funded to meet their respective investment minimums, these funds will be invested in mutual funds and/or ETFs if part of the Target Allocation, or in the sweep option for the account.

-If you fund your account with securities ("funding securities"), all fixed income funding securities will be allocated to the fixed income SMA Manager(s) first for a determination on retention or liquidation, even if the total value of the fixed income funding securities exceeds the allocation to the fixed income SMA Manager(s). Upon liquidation of fixed income investments to meet the appropriate allocation for the fixed income SMA Manager(s), the money will be allocated to your other SMA Managers and/or other investments.

-Equity funding securities will be allocated to the SMA Manager whose investment strategy is comprised of the greatest amount securities that match the equity funding securities, based on dollar value.

-Equity funding securities that are not part of the equity SMA Manager's portfolio will be liquidated as described above to the extent necessary to meet the SMA Manager's investment minimum (except as described below for accounts with active tax managed SMA strategies). To the extent that additional SMA Managers can be funded, that funding shall be based on this logic in order of highest to lowest match of equity funding securities to securities in the SMA Managers' respective investment strategies.

Therefore certain sub-accounts will not be funded if there is not sufficient cash and/or securities to fully fund the account according to your Target Allocation.

We expect to make active tax managed SMA strategies available in SWP in the future. For SWP accounts with an active tax managed SMA strategy, any non-matched equity funding securities will not be automatically liquidated. Instead, these non-matching securities will be directed to the active tax managed strategy investment manager for review and potential inclusion in that SMA sub-account. That

investment manager will be responsible for liquidating any securities that are not maintained for the sub-account, and any cash will then be allocated to the remaining sub-accounts as described above. If there are multiple active tax managed SMA strategies, the non-matched equity funding securities will be divided pro rata to those managers based on the Target Allocation to those strategies.

The Target Allocation you select will drive the investments for your Account. Your SWP Program Account will typically become active for transactions within seven (7) business days of the acceptance of your Account.

C4. SWP Non-Discretionary Assets

UBS will effect transactions for the portion of your account including mutual funds, exchange traded funds and alternative investments ("SWP Non- Discretionary Assets") only as instructed by you. Neither UBS, your SMA Manager(s) nor your Financial Advisor will have any discretion with respect to the investment of such assets.

The following rules apply to Non-Discretionary Assets:

- All purchases and redemptions of SWP Non-Discretionary Assets will be made pro-rata according to your Target Allocation you selected.
- Investments will be subject to the maintaining the minimum cash level ("Cash Level") for billing and other liquidity needs, and to our minimum trade requirements (currently \$500 and subject to change).
- The initial Cash Level will be approximately 1% of the asset value of the respective SWP Non-Discretionary Asset sub-account and can fluctuate between 0.5% to 1.5%. If the Cash Level is outside of this range, the respective sub-account will be re-balanced to a Cash Level of approximately 1%, however if the trade dollar amount required is at or below our minimum trade requirement no trades will be executed. The per share value of certain investments can cause the Cash Level to exceed 1.5% of the asset value of the respective Non-Discretionary Asset sub-account and, in such cases, the Cash Level will be maintained at this higher percentage.

C5. Rebalancing to Your Target Allocation; Reallocation; Contributions and Withdrawals;

Rebalancing and Reallocation: You must select a rebalancing option (quarterly, semi-annual or annual) when you establish an Account in the SWP Program. Your SWP Program assets will be automatically reviewed for rebalancing to your Target Allocation based on your selection. Rebalancing will occur (subject to our minimum trade requirement) if, on the rebalancing date, your account is above the minimum funding requirement and the amount of your Program assets in any asset category deviates from the allocation of your selected target allocation by more than 3%, 5%, or (for taxable accounts) 10%. Accounts are rebalanced as follows:

- Annual rebalancing generally will occur on the Monday (or next business day if Monday is a

holiday) following the end of the Account's account opening date.

- Semi-annual rebalancing generally will occur on the Monday (or next business day if Monday is a holiday) following each six month (180 day) and annual anniversary of your account opening date.
- Quarterly rebalancing will occur on the Monday (or next business day if Monday is a holiday) following each three month (90 day), six month (180 day), nine month (270 day) and annual anniversary of your account opening date.
- Automatic rebalancing for any account where the risk of the current allocation is higher or lower than the Account's stated risk tolerance for 6 consecutive quarters will take place during the 7th quarter and will bring your asset allocation back to your Target Allocation, overriding the 3%, 5% and 10% threshold rules stated above. If in the 7th quarter the account comes back into its risk band before rebalancing but is still out by the 3%, 5% or 10% threshold selected, the account will be rebalanced according to the option you selected.
- In addition, regardless of the 3%, 5% or 10% threshold selected, automatic rebalancing will be conducted for Accounts that deviate from established program guidelines for specified time periods. These guidelines include single mutual fund and ETF position concentrations greater than 70% for 6 consecutive quarters. This automatic rebalancing will take place during the 7th quarter if the concentration remains above 70% and will bring the asset allocation back to your Target Allocation. Accounts evaluated as part of an Advisory Account Group will have higher concentration guidelines (see Review of Accounts in Section 1.G).
- Accounts scheduled for rebalancing (quarterly, annual, semi- annual or automatic) in November, December and January, will be rebalanced during the first week of February of the following year to avoid any impact to tax trading at the end of the year.
- You have the option to rebalance upon request at any time.

Your SMA Manager(s) are responsible for the separately managed portion of your SWP Account, while UBS will rebalance your non-discretionary assets. Your accounts will be rebalanced by selling investments in the overweighted sub- accounts and purchasing a corresponding dollar amount of investments in the underweighted sub-accounts. Rebalancing is completed as promptly as possible. In the event that we are unable to initiate rebalancing as described above due to reasons beyond our control, we will initiate rebalancing as soon as practicable. Market conditions, technology failures, illiquid securities, securities with limited redemption schedules, trading volumes, the availability of funds and orderly purchase and redemption procedures may cause a delay in the processing and/ or completion of the rebalancing. In addition, we may adjust the date on which reviews and

rebalancing are done, if necessary, to ensure accurate processing of the review or rebalancing. We may also adjust the rebalancing date if UBS is in the process of reviewing its proprietary capital market assumptions to avoid duplicative rebalancing of accounts and ensure accurate and orderly processing.

Rebalancing will not occur if the account:

- has a pending/unprocessed trade
- has a margin debit, or
- value is below the minimum funding required for the target weight of the investment strategy you selected; however, reallocation/rebalancing will occur for an account that is below the minimum funding required so long as the reallocation rebalancing will not further reduce the asset levels of those sub-accounts.

In addition to the automatic rebalancing, you have the option of reallocating your program account, which may require additional paperwork.

Rebalancing and reallocation may take up to seven (7) business days to fully implement. However, rebalancing or reallocation of fixed income strategies will take additional time to fully implement.

Contributions and Withdrawals: Contributions to and withdrawals from your SWP Account will be handled as follows:

- (i) Cash contributions will be allocated to the most underweighted sub-account(s), relative to the target weight of the investment strategy you selected.
- (ii) If you contribute securities to your account, either UBS and/or your SMA Manager will liquidate those securities and allocate the proceeds to the most underweighted sub-accounts first.
- (iii) If you request a withdrawal from your SWP Account, monies will be withdrawn from the overweighted sub-account(s) with the greatest deviation from the Target Allocation. We will follow that process unless those withdrawals would result in the sub-accounts falling below their respective investment minimum. In those circumstances, withdrawals will be made first, proportionally, from those sub-accounts that do not have investment minimums. Withdrawals that cause the value of any sub-account to go below the respective investments' minimum may require that you change the target weightings of your investment strategy or select new investments in order to meet investment minimums.
- (iv) If you do not withdraw the cash from the account within 35 days it will be reinvested according the funding rules described above. We will continue to charge the Program Fee on cash until it is withdrawn.

Schedule D - NON-DISCRETIONARY ADVISORY PROGRAMS: STRATEGIC ADVISOR

Strategic Advisor is a non-discretionary Advisory Program. As such, you retain control over the trading in your Account. Except as specified in this Agreement and its Schedules, we will effect transactions for your Program Assets only as instructed by you, and neither UBS nor your Financial Advisor will have any discretion with respect to the investment of your Program Assets.

Note that effective 2nd Quarter 2018, except for existing accounts that have been grandfathered, private equity, real estate funds, and private placements are no longer eligible to be held or purchased in a Strategic Advisor account even if the asset is non-billable.

D1. Your Asset Allocation

In connection with your participation in the Strategic Advisor Program, we will provide you with an asset allocation proposal at Account opening.

Strategic Advisor is an asset allocation program in which the ongoing advice of your Financial Advisor is one of the key components and services provided. As part of the services under the Program, your Financial Advisor will perform an annual review of your allocation and investment strategy and, if necessary, will incorporate any changes to your objectives, risk tolerance and financial condition. As part of the advice and guidance we provide to you in the Strategic Advisor program, on an annual basis, a review ("the Review") will be conducted on the household at the account level.

The asset allocation proposal and the Review are analytic reports. They contain our advice based on the information you provided to us when you opened your Account and discussions with you and provides you with a review of your current and a target asset allocation. The information you provide to us is the basis for your Financial Advisor to help you determine your investment strategy and the type of investment advice you seek.

Unless you are enrolled in UBS-CAP, the recommendations made in your asset allocation proposal relate only to your individual Program accounts, and do not constitute advice regarding other accounts, whether held at UBS or elsewhere. Neither we nor your Financial Advisor will provide advice as to accounts held at other firms.

We will provide you a Performance Review containing an analysis and evaluation of your Program Assets. You may deviate from your most recent Strategic Advisor asset allocation only by a predetermined level based upon your risk tolerance. If your allocation shifts beyond those limits, your Financial Advisor will be notified. You will be notified if the inconsistency continues after a period of time. If no action is taken by you to update your profile or adjust your allocation, your account may be terminated.

D2. Using Margin in Your Strategic Advisor Account.

Before you decide to use margin, you must carefully consider whether or not you can afford, and want, to assume the additional risks that losses in your account may be significantly

greater than if you decide not to invest with borrowed funds. You understand and acknowledge that using margin in your Account will increase the compensation payable to us as we will receive the interest you pay on the outstanding loan balance as well as the Program Fee normally charged on your account. We may, in our discretion, impose the Program Fee on your margin balances in the Program. We may change, at our discretion, the base rate on which your interest rate is charged. **Securities backed financing involves special risks (including, without limitation, being subject to a margin call if certain collateral value requirements are not met) and is not suitable for everyone. For further information, please see the UBS Financial Services Inc. Loan Disclosure Statement, which is available from your Financial Advisor.**

PACE is a non-discretionary Advisory Program. As such, you retain control over the trading in your Account. Except as specified in this Agreement and its Schedules, we will effect transactions for your Program Assets only as instructed by you, and neither UBS nor your Financial Advisor will have any discretion with respect to the investment of your Program Assets. All purchases and redemptions for your Program Assets will be made pro rata according to this Agreement, unless you give us different instructions.

PACE is a mutual fund asset allocation program in which the ongoing advice of your Financial Advisor is one of the key components and services provided. Two investment programs are available through PACE: PACE Select Advisors ("PACE Select") and PACE Multi Advisor ("PACE Multi").

E1. Account Structure

Your PACE asset allocation is fully invested and does not have a sweep vehicle. PACE assets are held in a "commingled account" in which you can also hold brokerage assets that are not part of the PACE program. The PACE allocation is Advisory, and the non-PACE eligible are considered brokerage. Outside of the PACE allocation, you may buy and hold assets in your brokerage account that are not invested through the Program. Neither UBS nor your Financial Advisor will act as your investment advisor with respect to, or exercise investment discretion over, these other assets. We will effect transactions for you in those assets at your direction and in our capacity as a broker-dealer, for our customary fees and commissions. The PACE Program Fee does not apply to these other assets and transactions. Non-PACE assets will not be included in your Performance Report but will be included in your account statements.

E2. Documentation

When you establish a PACE Allocation, this Agreement, its terms and conditions apply to your PACE Assets only and not to any other securities or investments you hold in your brokerage account. **Participation in the PACE Program, our obligations to you under that Program, and your ability to hold shares that are available exclusively through PACE are contingent on you returning this executed Investment Advisory Relationship Agreement to us. Failure to return the Agreement to us will result in your investments being deemed and charged as brokerage and the liquidation of the PACE Money Market fund shares Agreement.**

E3. PACE Select and PACE Multi; Investment Services; Scope of Services

a. PACE Select and PACE Multi: PACE offers two distinct investment programs. In PACE Select, you may choose a combination of the investment styles and asset classes available through the PACE Select Advisors Trust (Trust), a series of mutual fund investment portfolios (Select Portfolios). PACE Select is a UBS proprietary product offering for which we and UBS affiliated entities provide services and receive compensation for those services.

The Portfolios are described in greater detail in the prospectus for the Trust. Upon termination, you may direct us to liquidate your PACE assets or you may continue to hold the shares you purchased while in the PACE program (except for the PACE Money Market Investments). The liquidation of such securities may have tax consequences to you. By participating in the PACE program you agree to the automatic redemption of the shares of the PACE Money Market Investments upon termination of your participation in PACE and direct us to effect such liquidation. You should carefully consider the potential impact of such liquidations and restrictions before participating in these types of strategies.

Fund Share Classes in PACE Multi: The Funds available through PACE Multi include shares of funds available at net asset value that are not affiliated with UBS ("Non-Affiliated Funds") and shares of the PACE Money Market Fund and certain other Funds advised by UBS or its affiliates ("Affiliated Funds").

b. Your Asset Allocation: There are differences in the allocations and investment options available in PACE Multi and PACE Select. PACE Multi also offers preference options and the option to invest in liquid Alternative Strategies offered through open-end mutual funds. Unless your asset allocation is identified as a fully diversified strategy, an investment in that strategy should not be considered as a diversified asset allocation plan to investing (either overall or within a single asset class or style), but should be viewed only as the equity or fixed income portion, as applicable, of your overall portfolio.

c. Account Structure, Fund Eligibility and Impact on PACE Multi Asset Allocation: Because the PACE allocation is held in brokerage account, you may buy and hold in your account assets that are not invested through the PACE Program including mutual funds that are not eligible in PACE.

We may add or remove mutual funds from PACE Multi in our sole discretion or a fund may stop participating in or offering its shares through the Program. Removal of a fund from the Program may cause you to have a taxable event or incur other costs.

If a new fund or new share class is made eligible in PACE Multi, and you already own that fund or share in the same brokerage account in which you hold the PACE allocation, those existing holdings will be automatically moved to your PACE allocation when the fund/share is made eligible.

Those changes may impact your asset allocation and risk tolerance as well as increase the level of assets on which the PACE fee is charged. These changes should be discussed with your Financial Advisor.

Those new shares will be included as part of your Program Assets for performance and billing purposes, except as described below.

Automatic rebalancing will consider all eligible funds whether a target allocation is established or not. If an eligible Fund does not have a target allocation assigned to it, it will

be fully liquidated. If you have a target allocation to a fund not currently held in your PACE asset allocation, it will be purchased. By executing this Agreement you authorize us to liquidate and purchase those positions, as applicable under the circumstances. We are not responsible for the tax implications of such liquidations.

Institutional mutual fund share classes transferred to your PACE allocation as a result of the Share Class Conversion will be excluded from the PACE Program Fee for a period of 1 year from the date of transfer.

For all other share classes, if you purchased the shares at UBS and paid a front-end sales charge and you have held shares of a newly eligible fund less than 1 year from the date of the initial purchase at UBS, you will not be billed until you have held those shares for a period of 12 months. The shares will be included for performance purposes once they are eligible regardless of how long they are held. The newly eligible fund or share class will be included in the calculation of the account's average daily balances during the applicable quarter and will be included in your Program Assets on the last day of the quarter for billing purposes unless the exception explained above applies. **Please see Item 5.C. *Billing Practices* for details.**

The performance information for a mutual fund available in PACE Multi may include the performance for a different class of that mutual fund for periods prior to the inception date of the class available in PACE Multi. Performance data from the initial share class is restated to reflect the respective fees and expenses associated with the class available in PACE Multi.

a. Automatic Purchases and Redemptions: The minimum initial amount of Program Assets to establish a PACE asset allocation is \$10,000 for PACE Select and \$5,000 for PACE Multi. The minimum initial investment in each Fund available through PACE Multi is stated in the Fund's prospectus. The minimum for subsequent investments in each Fund is \$100 or such higher amount as may be stated in the Fund's prospectus. In PACE Select, the minimum amount for a purchase transaction in any single Portfolio is \$100. A minimum of \$250 (auto purchase) and \$500 (manual purchase) is required for purchases at any one time in both PACE Select and Multi in accordance with your Target Allocation.

You may direct UBS to make cash available to you by redeeming Fund/Portfolio shares in accordance with your Target Allocation in minimum amounts of \$250 (auto redemption) and \$500 (manual redemption) per withdrawal. Otherwise, there is no minimum on withdrawals or redemptions of Fund shares.

Certain Funds may limit or restrict the purchase or holding of their shares. For more complete information about any of the Funds, including their charges and expenses, please review the Fund's prospectus or the Trust before you invest.

b. Purchasing Mutual Funds with Margin: Mutual funds may not be purchased on margin. However, mutual funds can be margined after being held for 30 days. Before you decide to use margin, you must carefully consider

whether or not you can afford, and want, to assume the additional risks that losses in your account may be significantly greater than if you decide not to invest with borrowed funds. You understand and acknowledge that using margin in a PACE Program asset allocation will increase the compensation payable to us as we will receive the interest you pay on the outstanding loan balance as well as the PACE Program Fee normally charged on your account. We may change, at our discretion, the base rate on which your interest rate is charged. **There are substantial risks associated with the use of borrowed funds for investment purposes and securities as collateral for a loan. For further information, please see the UBS Financial Services Inc. Loan Disclosure Statement, which is available from your Financial Advisor.**

E4. Automatic Services

PLEASE NOTE THAT LIQUIDATIONS, REDEMPTIONS REBALANCING AND OTHER PORTFOLIO CHANGES MAY RESULT IN YOU INCURRING GAINS OR LOSSES FOR INCOME TAX PURPOSES. UBS FINANCIAL SERVICES INC. DOES NOT PROVIDE TAX ADVICE. PLEASE CONSULT YOUR TAX ADVISOR.

The Rebalancing Process: The PACE Program includes automatic rebalancing for all accounts. Your PACE asset allocation will be reviewed automatically for rebalancing on an annual basis unless you elect to have rebalancing occur on a semi-annual basis or quarterly basis. Rebalancing will occur if (subject to our minimum trade requirement), on the rebalancing date, your investment in any one PACE eligible mutual fund deviates from the target allocation you selected for that fund by more than 3% or 5% of your total Program assets. Taxable account will rebalance at a deviation of more than 10% from their target allocation, with an option to rebalance at a deviation of more than 5%. This process is subject to our minimum trade requirements. Rebalancing will be accomplished by selling the shares of the over-weighted Funds/Portfolio(s) and purchasing a corresponding dollar amount of the appropriate Funds/Portfolio(s). Rebalancing transactions will be processed, provided that the sale and the purchase meet our trade minimums which are the greater of \$50 or 50 basis points not to exceed \$2500. A \$25 trade minimum will be used if all trades during the rebalance are below \$50. We reserve the right to change the rebalancing percentage measure or the minimum dollar amount of individual rebalancing transactions.

Automatic investment options are administrative by nature and may be done on a Rebalancing Day, unless market conditions, technology failures, excessive trade levels that impact the processing capacity of our trading systems, availability of funds from the Portfolios, purchase or redemption procedures, or other matters beyond our control reasonably preclude us from accurately processing on a Rebalancing Day or otherwise cause delays in processing.

Depending on the circumstances and in order to ensure the accurate processing of the automatic investment options, including rebalancing, we may

(i) alter or delay the Rebalancing Day to the next available date, (ii) change the rebalancing percentage for that rebalancing event only, (iii) process rebalancing for accounts for PACE Select and PACE Multi on different days, (iv) process rebalancing for taxable and non-taxable accounts on

different days, or (v) rebalance all accounts based on a random rotation process.

We may also suspend a rebalancing event or an automatic service event, if based on the factors outlined above, we cannot ensure the orderly and accurate processing of the rebalancing or the service. We will notify you of that suspension and offer to you the option to have your account manually rebalanced for that period.

- Annual Rebalancing will occur on or near 13 months from the anniversary of your account opening date, and subsequently 13 months from the previous rebalance date. Accounts with anniversary in Nov/Dec will be rebalancing in January.
- Quarterly Rebalancing generally is done during the third week in February, May, August and November (i.e. a Rebalancing Day).
- Semi-Annual Rebalancing: clients that elect semi-annual rebalancing, their PACE asset allocations will be reviewed for rebalancing in February and August.

PACE offers an automatic rebalancing feature for asset allocations that are more aggressive than your stated risk profile for 6 consecutive quarters. That rebalancing will take place during the 7th quarter and will bring your asset allocation back to your target allocation overriding the 3% or 5% and 10% threshold rules stated above. If in the 7th quarter the account comes back into its risk band but it is still out by more than 3% or 5% or 10% threshold, the account will be rebalanced according to the option you selected. We may implement changes to the minimum trade logic for accounts subject to automated rebalancing for accounts outside of their risk profile in the future.

In addition, regardless of the 3% or 5% or 10% threshold selected, rebalancing will be conducted for Accounts that have a single mutual fund position concentration greater than 70% for 6 consecutive quarters. This rebalancing will take place during the 7th quarter if the concentration remains above 70% and will bring the asset allocation back to your Target Allocation.

We may split the PACE Select and PACE Multi rebalance dates when we deem appropriate as a result of market conditions, technology issues or other situations beyond our control. UBS reserves the right to change the rebalancing percentage or minimum dollar amounts. In this Agreement a "Business Day" will mean any day that the New York Stock Exchange is open for regular trading.

Market conditions, availability of monetary funds from the Select Portfolios or Funds and/orderly purchase and redemption procedures may cause a delay in the processing of the automatic rebalancing, purchases and redemptions. Individual rebalancing transactions that equal \$50 or less are not performed. For accounts that are less than \$5,000 the trade minimum is \$25.00.

We reserve the right to change the rebalancing percentage measure or the minimum dollar amount of individual rebalancing transactions.

These services will not occur if the PACE asset allocation has a pending or unprocessed trade or margin debit. If rebalancing

requires an additional purchase of shares of a Fund for which the mutual fund eligibility level has changed to "hold status." The rebalance will be processed to get as close as possible to your Target Allocation without disrupting those funds.

Automatic Rebalancing to the Client Target Allocation: The PACE Program includes automatic rebalancing for all accounts. Your PACE assets will automatically be rebalanced on an annual basis unless you elect to have rebalancing occur on a semi-annual basis or quarterly basis. In this option, you elect to have your Program Assets automatically rebalanced on a periodic basis to maintain your Target Allocation among the Funds.

a. Automatic Rebalancing to the Client Target Allocation - with updates to the Capital Market Assumptions (Available to PACE Select clients only):

By selecting this option, you elect to have Program Assets reviewed, and if necessary, automatically rebalanced on a periodic basis to be consistent with the UBS capital market assumptions. Your Client Target Allocation is based on our proprietary capital market assumptions, those allocations may be updated and may change periodically. Your affirmative consent is not required to implement these changes; however, you will receive notice and an opportunity to elect out of automatic rebalancing when we change the Asset Allocation. When the automatic rebalance is performed, the rebalance will override your 3% or 5% or 10% threshold which was elected when your PACE account was opened. Additionally, we may re-schedule your rebalance earlier or later than your scheduled annual, semi-annual, or quarterly rebalance if necessary in order to rebalance your account when the Capital Market Assumptions are updated.

b. Automatic Purchases: You may elect on your Application to automatically invest in Funds toward your Target Allocation and designate the date on a monthly or quarterly basis. You may designate the duration of your automatic purchases or the total target investment amount on the Application. The contribution will first buy the Funds/Portfolios that are underweighted as compared to your Target Allocation and then invest the remaining portion according to the Target Allocation. Funds will be automatically drawn from your Account (either cash balances or money market fund redemption proceeds) and invested in Funds according to the Target Allocation. No purchase will be made unless there are sufficient funds in the Account to buy the full amount specified in the automatic purchases section of your Application.

If you invest Retirement Plan assets through PACE and select the automatic purchase option, please note that you must carefully monitor your contributions to prevent them from inadvertently exceeding federal limits.

As of the date of this Agreement, depending on your account type and/or account ownership, the following cash sweep options from the brokerage account that holds your PACE asset allocation are available for the PACE auto services: UBS Bank Sweep Programs, UBS FDIC-Insured Deposit Program, UBS RMA Government Money Market Fund or UBS Liquid Assets Government Fund.

c. Automatic Redemptions: You may elect on your Application to automatically redeem funds and designate the

date on a monthly or quarterly basis. Shares will be redeemed from each Fund that is currently overweighted as compared to your Target Allocation and then by redeeming the remaining portion according to your Target Allocation. If you elect automatic redemptions, you direct UBS to request the redemption two Business Days before the day you specified or earlier to ensure that cash will be available in your Account on that day.

Redemption proceeds will be deposited in your Account and are not automatically forwarded to you. If withdrawals resulting from automatic redemptions reduce your Program Assets (that is, assets invested in Funds) to less than \$7,500 for PACE Select and \$3,500 for PACE Multi, you may receive notice and have thirty (30) days from the date of the notice to restore your Program Assets to the minimum amount required to establish an investment in the Program. If you do not meet this minimum within thirty (30) days, UBS will have the right to terminate your participation in the Program.

Dividends in PACE Accounts: If you invest in PACE, the dividends you receive from your mutual fund investments will be automatically reinvested into the same Fund, unless you instruct us otherwise.

E5. Program Fee Payment

You may elect to have your Program Fee paid from assets within your PACE investment or from non-PACE participating assets held in your brokerage account. **The PACE program automatically defaults to deducting your Program Fee from outside of your PACE assets first, unless you instruct us otherwise.** Payments from your PACE assets will be processed by either redeeming first the PACE Money Market Fund or if sufficient funds are not available, then Program Assets in your Account will be liquidated by redeeming shares of Funds in your Account beginning with the largest Fund in the first asset category in which you hold sufficient shares to pay the remaining fee. The specific order (i.e., first to last) for redeeming shares for this purpose is set forth in this Agreement and in the future the Form ADV Disclosure Brochure. If you instruct us to deduct the Program Fee from non-PACE assets, we will do so by debiting first any available cash or non-PACE eligible money market funds in your brokerage account and/or if sufficient funds are not available, debiting the fee from the PACE assets as indicated.

PACE Multi Advisor

1. UBS Government Money Market Investments
2. Mortgage-Backed Securities
3. Municipals
4. US Fixed Income
5. High Yield - Corp.
6. Global Fixed Income
7. Balanced
8. Large Cap Equity
9. Medium Cap Equity
10. Small Cap Equity
11. US Equity - Other
12. Convertibles
13. REITS - US Equity
14. REITS - Medium Cap

15. REITS - Small Cap
16. Global Equity
17. International Equity
18. Develop Markets
19. Emerging Markets
20. Emerging Mkts Fixed Income
21. Hedge Funds
22. Non Traditional
23. Commodities
24. Other

PACE Select Advisor

1. UBS Government Money Market Investments
2. PACE Money Market
3. PACE Mortgage-Backed Securities
4. PACE Municipal Fixed Income
5. PACE Intermediate Fixed Income
6. PACE Strategic Fixed Income
7. PACE High Yield
8. PACE Large Cap Value
9. PACE Large Cap Growth
10. PACE Small/Medium Value
11. PACE Small/Medium Growth
12. PACE International Equity
13. PACE Global Real Estate
14. PACE International Emerging Markets
15. PACE Global Fixed Income
16. PACE Alternative Strategies

In the future, we may provide asset allocations that include asset categories other than those listed above.

E6. Plan Rebates in the PACE Select Program:

A For a client that is a Plan or IRA we will credit to the Account a part of the advisory Program Fee corresponding to an amount equal to, (A) the average daily balance invested in each Proprietary Fund for the period multiplied by (B) the reduction factor specified below, multiplied by (C) a fraction, the numerator of which is the number of days in the period for which the Fund Advisory Fee (as defined below) is being assessed and the denominator of which is the actual number of days in that calendar year. The "reduction factor" varies among the Proprietary Funds and is based on the amount by which the Fund Advisory Fees paid to UBS AM (the "Fund Advisory Fee") exceeds twenty basis points (0.20%) after payment by UBS AM of the fee to that Proprietary Fund's sub-advisor(s). In the event that: (i) UBS AM waives some or all of the Fund Advisor Fee or UBS AM reimburses other expenses paid by a Proprietary Fund, these reduction factors may be reduced or eliminated; and/or (ii) UBS AM receives any expense recoupment from a Proprietary Fund, these reduction factors may be increased.

E7. Management and Administrative Fees for Affiliated Funds in PACE Select and PACE Multi:

Our affiliate, UBS Asset Management (US) Inc., receives fees for providing investment management, administration and shareholder servicing to the Affiliated Funds in PACE Multi and the Select Portfolios. The current annual rates of investment management fees and administrative fees paid by the Affiliated Funds in PACE Multi and Select Portfolios to our affiliate are described in each Fund's prospectus. With respect to the Select Portfolios and certain Affiliated

Funds offered in PACE Multi, a portion of the investment management fee is paid to each sub-advisor which is unaffiliated with UBS. With respect to PACE Select, another portion of the management fee may be returned to us and rebated as described under "PACE Select Plan Rebates" in the Form ADV Disclosure Document. The amount of investment management fees paid to our affiliate may vary depending on the arrangement between our affiliate and the Fund.

In addition, our affiliate, UBS Trust Company of Puerto Rico, receives fees for providing investment management, administration and shareholder servicing to the Multi-Select Securities Fund for Puerto Rico Residents and the U.S. Monthly Income Fund for Puerto Rico Residents, Inc. The current annual rates of investment management fees and administrative fees paid to our affiliate are described in the fund's prospectus.

Neither UBS nor our Financial Advisors receive a portion of the management and administrative fees paid to our affiliates.

E8. Special Provisions Relating to Retirement Account Clients in the PACE Select Program:

UBS Financial Services Inc. has obtained a prohibited transaction exemption (P.T.E. 96-59) from the Department of Labor ("DOL") under Section 408(a) of ERISA (the "Exemption") relating to PACE Select. The Exemption allows UBS Financial Services Inc. and its affiliates to provide asset allocation and related services with respect to Plan assets invested in the Select Portfolio shares, subject to certain conditions. A copy of the Exemption appears in the PACE Select Advisors Trust Prospectus for Class P shares.

Code Enforcement Division

Update to City of Clayton



What You Will Learn Today and Why:

1. What are the most common cases Code Enforcement handles
2. What are the standard operations of a Code Enforcement Division
3. How are cases managed
4. How work is handled without Permit cases
5. With whom Code Enforcement collaborates
6. Update on department metrics
7. Update on current and go-forward initiatives

What you will NOT hear today:

- Specifics of any active or recently closed cases

Why we are not disclosing details of specific cases:

- Potential liability to the City of Clayton
- Protecting the privacy of our constituency

What are the most common cases Code Enforcement handles:

- Illegally parked trailers and recreational vehicles
- Property maintenance
- Work without permit
- Other - Business licenses, real estate signs, roosters, etc.

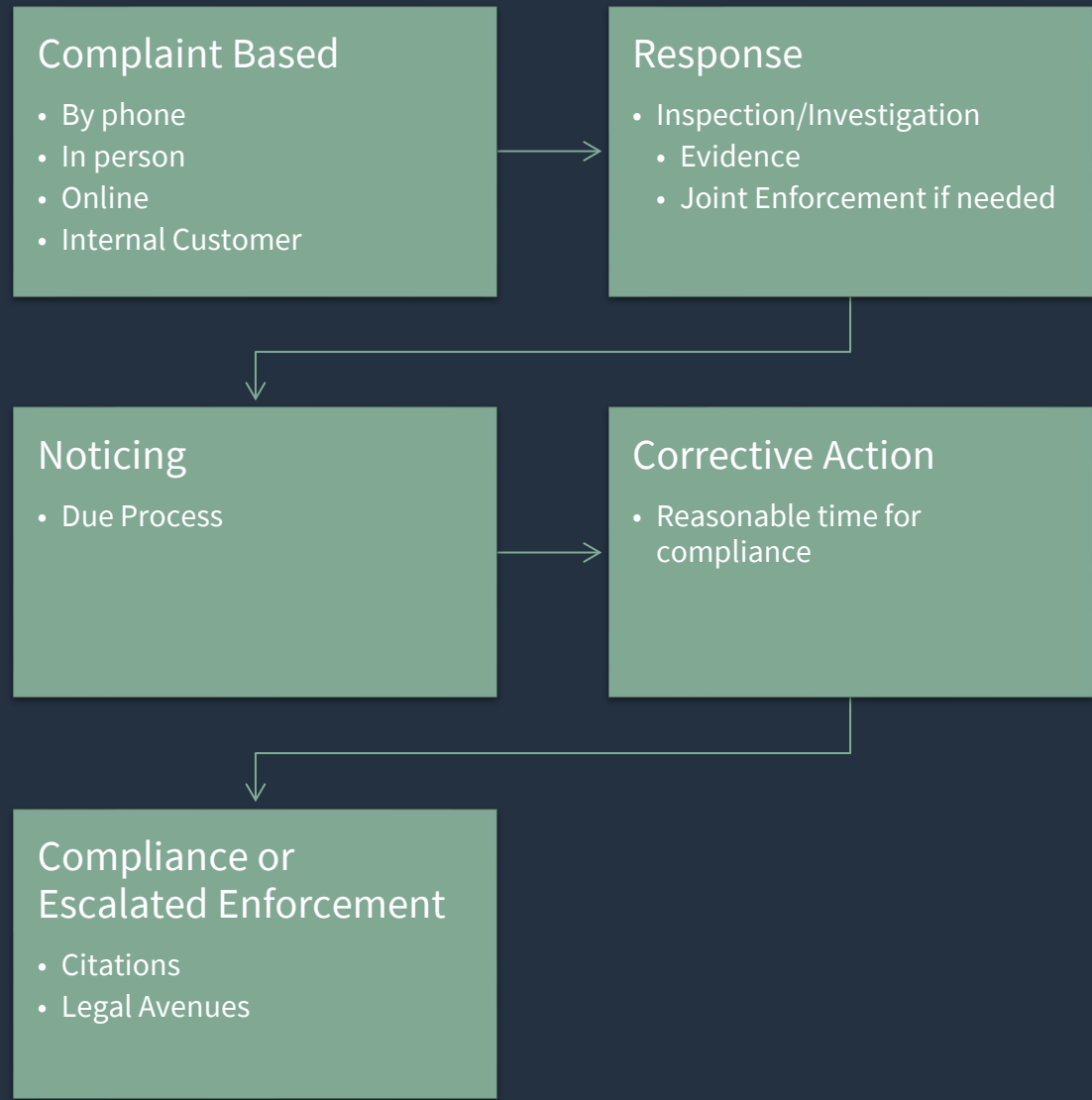




Typical Code Enforcement Practices



- Complaint Based
- Response
- Noticing
- Corrective Action
- Compliance or Escalated Enforcement



Handling a Work Without Permit case

1. Complaint is received
2. Initial conversation with complainant, if available
3. Thorough research in the office
 - Search for existing Code Enforcement Cases
 - Determine the property owner
 - Search GIS, Google Maps
 - Search Zoning/Planning
 - Research Permits, issued, expired, final, in-process
4. Initial inspection from the public right-of-way (PROW). Verify the complaint from the PROW and document with photos.
5. Attempt a “Knock and Talk”. Request consent to inspect private property and document with photos.

Work Without Permit Cont....

6. Prepare a Notice of Violation detailing the specific code sections at issue and the specific violations noted. Post on the property, send to violator (and/or tenant) both Certified and regular mail
7. Work with the owner/occupant to bring the property into compliance
8. Review permit for accuracy before it is issued.
9. Re-inspect parcel for compliance
10. Close case when permit is moved to “Final” status

Collaborations

- Clayton Police Department
- Contra Costa County Fire Department
- City of Clayton Public Works Department
- Adult Protective Services (APS)/Child Protective Services (CPS)



CONTRA COSTA
COUNTY, CALIFORNIA

Complaints vs. Inspections

2021-present	Illegal storages of RV/trailers/ Boats/ Unregistered Vehicles	Building/ Property Maintenance	Building without permits	Other*	Total	Active/ Open
2021	28	34	9	7	78	1
2022	16	19	5	13	53	1
2023	19	17	1	3	40	3
2024	12	9	7	4	32	12

This number is reflective of “knock and talk” inspections and confirmed violations resulting in a case file being opened.

* Other- roosters, real estate signs, business licenses, etc.

Abated & Closed Jan 2021 - Present	
Open	17
Closed	186
Totals	203

Current Code Enforcement Initiatives Underway

Code Enforcement Officer,
Jason McKinley started working in
Clayton on June 20, 2024

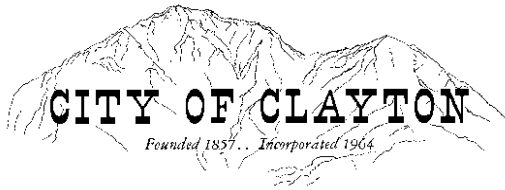
Clarify scope of complaint at time of
submittal

Significant improvement of case detail
and accuracy

Significant improvement in case intake,
adjudication and resolution



Thank You



City Council Agenda Item 8a

STAFF REPORT

TO: Honorable Mayor and Councilmembers

FROM: Stephanie Cabrera-Brown, City Clerk/ Assistant to the City Manager

DATE: March 8, 2024

SUBJECT: Discussion on Whether to Create a City Flag

RECOMMENDATION

Receive a presentation from Ted Kaye on the process of creating and establishing a city flag and discussion on whether to create a city flag.

BACKGROUND

Mayor Diaz requested staff agendize a presentation for the Council to discuss the potential of creating a city flag and invited flag expert, Ted Kaye, to present on the process.

DISCUSSION

After receiving the presentation and related materials, the Council can discuss the process, if there is interest in creating a city flag, and potential next steps.

FISCAL IMPACT

None. .

CEQA IMPACT

None.

ATTACHMENTS

1. City Flag Redesign Process, thoughts by Ted Kaye

CITY FLAG REDESIGN PROCESS thoughts by Ted Kaye

A flag is an emblem of a place's people, spirit, land, and history. It is imbued with meaning and, when executed tastefully, creates a sense of pride and respect in the community. It is not only a symbol for its people, but a representation of the city to the rest of the world. [Citizens for a Minneapolis Flag Redesign]

Keep in mind: While flag design is an artistic process, flag adoption is clearly a political process. Most find the process 10% design and 90% politics/PR.

Initial Steps

Lay adequate political groundwork, otherwise the effort is doomed to failure.

Secure political and public commitment for a new flag BEFORE sharing any of the proposed new designs. And it cannot be the “mayor’s pet project”—it needs broad political support.

For successful flag-change to occur, it is imperative to separate two concepts:

- a) The current flag should be replaced/updated.
- b) Here is a design for a new flag.

If they are combined, the forces of inertia and apathy tend to support the current flag and focus criticism on the new design. Better to fight battle (a) and win it, before proceeding to (b).

[Some who lose battle (a) decide to proceed anyway, seeking a “people’s flag”. That very rarely succeeds in the goal of a new, adopted city flag. Better to rejoin the fight and win the battle.]

Decide how the flag will be used: in city council chambers only, or on city buildings, in schools, sports venues, uniforms, vehicles. Of course it could be flown widely by residents, businesses, etc.

Understand that a good/pleasing/simple design will tend to be used more broadly by the public.

Educate the public and decision-makers about the benefits of having a well-designed flag represent the city: “A great city deserves a great flag”. Use the Roman Mars TED Talk:

https://www.ted.com/talks/roman_mars_why_city_flags_may_be_the_worst_designed_thing_you_ve_never_noticed?language=en

[It’s not enough to point out that it is a bad design. There needs to be an opportunity as well.]

Engage other organizations, such as the chamber of commerce, convention/visitors bureau, historical society, school district, design community.

If a flag exists already, characterize the effort with words such as “redesign”, “facelift”, and “upgrade” rather than “change” or “replace”. [This can reduce prospective opposition.]

Understand the likely objections to flag change:

- This is a waste of time; we have more important problems to deal with.
- There's no compelling reason for change—no one has complained about this.
- We don't have the money/resources for this.
- The current flag is part of our history; it has represented us for a long time.
- I like the flag (usually meaning "I'm accustomed to the flag").
- My father fought/died under that flag [for national flags]
 - Sometimes...My grandmother designed that flag.

Rochester, Minnesota, council member Sandra Means said she doesn't want to see the flag changed unless someone brings forward a compelling reason or there is a strong push for it by the public. "I like the flag. It's my personal opinion," Means said. "I've seen it for so long."

Counters to those objections:

- The effort spent on creating a new flag creates a banner under which to rally and face those more important problems.
- A great flag represents an opportunity for the city—no one has complained because few have noticed.
- Replacing the current flags is not expensive—there are few of them, and outdoor flags wear out anyway. Simpler designs are often less expensive to make.
- We honor the role the current flag has played—it will always be part of our history.
 - [sometimes...a grace period (e.g. 2 years) during which both flags can fly.]
- Perhaps you like it because you're used to it—You will get used to the new flag and like it too.
- The sacrifices/history made under that flag will never be forgotten.

[Note also that if a city's poorly-designed flag is little-used, the city's branding is ceded to others, primarily sports teams.]

Summary: Arguments for a well-designed city flag:

- Civic pride / cohesion [internal]
- Branding / promotion [external]
- Better flag = lower cost and more accessibility

An effective marker of the people's embrace of a city flag is when it starts showing up as a tattoo...

Talking to officialdom

Don't start with public venues—the “open mike” session of a city council meeting is the wrong way to approach the decision-makers. Rather, find the “who knows whom” contacts, get an audience with key staff members supporting elected officials, talk to those officials.

Don't surprise them with media mentions (keep those in reserve for promoting the concept publicly or working to get the public to contact their representatives).

Meet with staff/elected privately.

Make the case (outlined above) by using examples of good and bad city flag designs. Emphasize “peer” or “rival” cities, if useful. If the rival has a good flag, note how “we're behind”. If the rival has a bad flag, note how “we can beat them”. Don't propose new designs in the first approach. Talking point: “A great city deserves a great flag”.

Understand that this is likely a low-priority item. Politicians will often say “I haven't heard my constituents complain about this”, and therefore will think it's not worth expending political capital on.

Use natural allies (e.g., convention/visitors bureau, arts commission, service organizations—any group with a stake in the branding/image of the city) to help get officials' attention and make flag-change a priority.

Be ready to propose a process for flag development and adoption, with adequate details, but remaining willing to change it based on officials' input.

If rebuffed, THEN go to the media, to drum up support and get the citizenry to contact the elected officials.

Be ready for a long haul...these things can take time—up to several years.

Once the political will is in place for flag-change

Choose among alternatives:

- 1) Accept an initial proposal.
- 2) Develop a design internally with current staff.
- 3) Hire a design professional.
- 4) Conduct a public competition.

Sometimes flag-change starts with activists or designers proposing a new design—some cities just accept that and are done.

Once in while city staffers develop the design.

Professional designers are sometimes commissioned to design the flag (at times this is part of a larger branding effort). Caution: Some understand flag-design principles, some do not (get them a copy of *Good Flag, Bad Flag*).

Public competitions are the most common. They feel “democratic” and build consensus for flag-change. They deliver the widest range of potential designs (some “outside the box”). The people have a stake in the flag when it is adopted.

Understand that the flag represents the entire city—not just city government. [This is a common blinder for those who serve in city government. This also can lead to the default design of placing the city seal on the flag—but **the seal represents the government; the flag represents the people**. This also applies to the city government’s logo.]

A vote of the people on the flag is unnecessary and relatively uncommon. Notable exceptions include New Zealand (the only national flag referendum ever, change failed in 2015), Georgia (voted yes to change in 2004), and Mississippi (voted no to change in 2001, voted yes to change in 2020). **Elected representatives usually make such decisions for the people.** *Feedback* from the public is enough. (That said, a vote relieves elected officials of responsibility—they can point disappointed constituents to the “will of the people”—so they might favor that.)

There is **no need to copyright the design** or place restrictions on it. Some cities mistakenly believe that the flag can only be used by government—instead, it should be an open-source asset of the community. [That is, some well-intentioned but misguided communities attempt to control flag use by limiting its sales and display. The American tradition holds that the flag belongs to the people—discourage copyrighting, trademarking, and limited sales channels.]

Still, it is good to make sure the designer does not retain copyright—but instead transfers it to the city through a disclaimer. (This is not a legal opinion, but if the flag is adopted through some ordinance or resolution, that clearly creates ownership by the city. That may be why other cities (or states) don't seem to see this as an issue. That should prevent some business from trying to copyright the flag.)

If (4), Getting Started

Name competent and committed employees or volunteers to staff the effort; perhaps utilize an existing commission or name a special oversight committee (this is not usually needed, but this can provide some political cover). (Existing commissions/boards which might have jurisdiction and provide oversight/guidance/staff/funding include arts, culture, landmarks, history, tourism/business development, transportation, parks.)

Think through and define the entire process before starting it. Consider the effort as a public-relations campaign. Remember: “Designing the flag is the easy part”—*Peter Ansoff, NAVA President*.

Plan what will happen after adoption—the “roll-out” of the flag: city buildings (inside and out), city vehicles, schools, uniforms, letterhead/website, pins, table flags. Some cities (e.g., Chicago) have city code language *requiring* that the flag fly on all municipal buildings.

Be aware of the school calendar, to allow teachers to plan their students’ participation. [That is, don’t launch in July with deadlines in September!]

Perhaps aim for an appropriate anniversary or event for the flag’s unveiling/adoption (e.g. the city’s incorporation day).

Use the local media to make the case and promote the effort (newspaper, radio, TV, social media). Note there are two forms of coverage: news and opinion. News simply reports the facts—about your effort to adopt/change the flag—reporters handle that. Opinion provides the thoughts of a pundit or opinion-maker, usually in a regular item—columnists handle that.

Determine what the winning designer will receive—cash prize, a plaque, a flag, publicity. Decide how to split winnings if designers share credit.

If non-residents are allowed to submit designs, and one of those wins, spin that as “our city attracted worldwide design talent” and emphasize the local focus of the committee that chose the design.

Do NOT have a committee design the flag (although a committee might be empowered to alter/combine designs).

Understand that a benefit of public involvement/feedback and a representative flag-selection committee is providing political cover to the officials who will vote on the flag—they can point to the process when the inevitable minority objects to the result.

Perhaps involve service organizations (e.g. in one city the Lions Club took on the project of promoting the competition and publicizing the results by selling flags—at a profit).

Reach out to the professional design community. Understand that some will object to “an attempt to get services for free”. However, typically the majority of professional designers understand the need to democratize the process, enjoy the challenge and opportunity to contribute, and secretly hope for the bragging rights that winning will bring.

Competition “Rules” (recommended)

- Require entries come in a consistent format/size (paper or electronic) and proportions (e.g. 3”x5”). Aim for a small size. Perhaps provide a template. Specify the file format if digital (.jpg or .png—and from professionals, Illustrator-editable PDFs or .eps files). [This has several benefits: a) it made the size and proportions of entries consistent and comparable, b) it forced most designers to “think smaller” and thus perhaps simpler, and c) it helped with the physical management of the entries.]
- Call for solid colors and no graduated colors. [This is important in an age when many designers use computers and can easily create difficult-to-manufacture designs.]
- Request an explanation of the design—its symbolism and relation to the city.
- Ask for submitter’s name / age / contact info (address/phone/email; perhaps school).
- Decide who can submit designs (is there a geographic limitation?) and how many a single designer can submit (perhaps 3–5). [Limitations might be those who live or work in the city, or own a business there, or come from the city.]
- Note that the judges/committee will be empowered to make changes to designs, including combining elements of different designs.
- Make a disclaimer: “By entering this contest, you release all rights to the design (if accepted) and agree to let us submit it to the Legislature/City Council for consideration as an updated flag.” [That avoids potential copyright and legal issues.]
- Determine the “prize”: sometimes cash (it need not be a lot; \$50–\$250), sometimes a flag; often the prize is only glory. [Some professional designers hate this, believing they are being asked to work for free, but they are in the minority among their peers.]
- Announce other “rules” (see Appendix 1).

<p><i>A flag is a visible symbol of an invisible bond.</i> —Lee Herold</p>
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Flags are meant to be seen, not flat and immobile, but hanging from a flag pole or waving in the wind. Designs may appear quite different when viewed that way. To get an idea of how a design would look flying, copy the image into this online flag waver.

<https://krikenoid.github.io/flagwaver/>

Process

Announce the entire process with appropriate fanfare (media relations—the press can be your friend throughout).

Budget for all the aspects of the project, including staff, travel, conference space, workshops, marketing/PR, website work, events, prize money, and initial run of flags and flag-related items.

Provide the guidelines from *Good Flag, Bad Flag*, and a link to NAVA’s site, to help direct flag designers. Important: Provide examples of highly-rated comparable flags. [optional: hold public workshops on flag design.]

Line up a vendor for test flags and the eventual full run of flags. There are good sources in the U.S.; some overseas vendors are significantly less expensive.

Create a formal archiving and tracking process so that submissions can be organized, replicated, and shared.

Plan to render children’s primitive art into graphics consistent with other entries—to create a level playing field and help judges view comparable images.

Choose a committee of judges whom the public will likely to consider that represent its preferences/feelings. That may mean diversity in ethnicity, gender, politics, religion, geography, age, and institutional affiliation. This provides a range of perspectives, as well. (Design experts need not be on the committee—they can “throw their weight around”—but they *can* advise the committee.) Having a vexillologist to consult can help the committee’s work. Obtain commitment of confidentiality from the judges—an agreement not to reveal the discussion outside of the room and not to pre-announce winners.

Have the committee, staff, or impartial flag-design experts cull down the submissions to a manageable number, screening out obviously poor designs. (NAVA has a pool of volunteers available to help—they can rate designs, suggest improvements, and even create designs—and they work fast.) Doing so in advance of the committee work can speed and simplify its deliberations.

Train the judges/committee on flag design principles. **This is vitally important.** They need to know what they are aiming for, and to understand the severe constraints of flag design. Otherwise they may be attracted to pretty pictures that won’t work well as flags. (NAVA can help with this as well.)

Have a graphics-software expert on hand to allow the judges to make and review real-time changes to submissions. Use flag-waver simulation software to test submissions.

Consider splitting the committee into two groups: community and design. The community group should focus on how proposals represent the place and will resonate with its residents; the design group should focus on making proposals the best possible designs. Both groups must approve the final proposal(s).

Have judges/committee narrow down the submissions to 3–5 finalists (could be more—we’ve seen up to 24) for public feedback. [A key aspect, often overlooked, is the extent to which interpersonal dynamics and group decision-making affect the process of selecting the winning design. It pays to agree on a process ahead of time, and enforce it.]

Combine or alter designs as they deem appropriate. The point of the exercise is to create a flag for the city, and if that means drawing inspiration from or changing designs, so be it. [Note: some think that the submitter of a design must be consulted—but in no case has a “winner” objected to changes which led to his/her design being selected! Better to just disclose up-front that the designs may be combined/altered.]

Assure colors come from the standard color set manufactured by flag fabric mills—that is, adjust the colors of the finalists to conform, and specify Pantone numbers if possible.

https://www.glasermills.com/color_card.html

Create a public-response mechanism (paper ballots, website) to gather feedback on finalists. [Find ways to keep people from voting more than once, but understand this may still happen.]

When consulting the public on more than 3 designs, use a **rating** scheme rather than **voting**. That is, instead of simply having people vote for their favorite, ask them to give a score to each design (e.g. from 0 to 10). That way they rate the relative value of *each* design, rather than not hearing from them at all on the designs they didn’t vote for. [The overall ranking of the designs is based on the average rating of each design (total rating scores divided by total number of scores given that design). This avoids the problem of “splitting votes among good designs”, and gathers richer data on the public’s preferences. Using a 0–10 scale allows comparison to NAVA’s past surveys and city ratings.]

Take public input with a grain of salt. Members of the public are not experts in flag design, and often will prefer too-complicated designs.

When sharing finalists with the public for a response, explain the designs’ process and meaning, but do NOT disclose information about the designer as well. [There can be a bias inherent in choosing a flag when the voter knows the designer’s name, gender, age, school, ethnicity, or location.]

Determine who can rate/vote on flags (only residents?). [This is difficult to control, and it’s usual to just accept that some “outsiders” will weigh in, but their responses will be diluted by a vast majority of locals.]

While public response is under way, do not disclose the results so far. [People may tend to favor a “winner”, that can easily skew the voting.]

Sometimes the result of a competition and public response is to deliver a short list, rather than one finalist, for the elected government to choose among.

Consider having inexpensive versions of the final designs made up as actual flags—they are great props and can be tested in the breeze and indoors.

Spend the time to train the ultimate decision-makers—mayor, city council members, etc.—in good flag design, otherwise they, too, may base their decisions on uninformed preferences.

Draft the ordinance (often a city code amendment) and understand the legal process ahead of time—everything but the image and textual description can be arranged in advance. Plan the web presence. Create formal specifications for the flag to guide manufacture and reproduction. Write full explanations of the design and symbolism.

Formally adopt the flag (e.g. by city council vote—this sometimes takes two meetings).

After adoption, post images, descriptions, specifications, symbol explanations, and vector files on the city’s website). Coordinate media coverage—flags are eye candy (depict the “Betsy Ross of Xxxxxx, making the first flag).

Arrange for the initial production run of flags, cost/quantity/distribution. Determine where city government will fly the flag beyond city hall, such as fire stations, city offices (indoors and outdoors), as well as the livery of government vehicles (civilian, police, fire) and the uniforms of public safety members.

Consider ordering 4”x6” table flags and lapel pins, provide opportunities for the public and businesses to buy the flag and fly it. Order postcards with the flag and provide them to city offices, libraries, tourist center. Order vinyl stickers and put them on all city vehicles.

Hold an appropriate public celebration: unveiling the flag and honoring the designer; plan for initial display and eventual full use. Perhaps tie this to an important date/anniversary/event.

Provide information and artifacts to the local historical society. Write up a “case study” documenting the process, to share with vexillolographers/NAVA and other cities. [Capture the process followed, how the design and political challenges were handled, and key learnings—the more facts and figures, the better.]

***Note: these thoughts are U.S.-oriented; Canada has some differences in municipal government, a stronger connection to heraldic traditions that influence flag design, and the Canadian Heraldic Authority as an excellent resource.

Vexillology is the study of flags; the North American Vexillological Association (NAVA) is the world’s largest flag-studies organization.

Ted Kaye compiled *Good Flag, Bad Flag*, the NAVA guide to flag design. He consults broadly on city, state, and national flag-design efforts and speaks frequently in the media. Currently NAVA’s secretary, he edited its scholarly journal, *Raven*, for 17 years.

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LESSONS LEARNED

Here are twelve lessons learned from examining over 100 flag redesign efforts begun between 2015 and 2018 in the United States:

1. **Advance approval** of the concept and process from elected officials greatly increases the likelihood of the successful adoption of a new flag design. Without it, the likelihood of success is significantly lower.
2. Although this may be obvious, attempts to create a flag for a city **without a flag** fare better than efforts to replace an existing flag. (There is one fewer obstacle to overcome.)
3. It is **counterproductive to propose a new design** before obtaining agreement to change the current flag. Most efforts that began with asking a city to adopt a single proposed design have not proceeded past the idea stage.
4. Providing **guidance on flag design** principles leads to better designs and stronger winners—nearly all efforts cite the basic principles presented in *Good Flag, Bad Flag*.
5. **Organizations** can be more successful than individuals acting alone—creating a group to promote flag change, or recruiting existing organizations to sponsor the effort, significantly increases the chances of success. (This is a natural reflection of the political process; it demonstrates to city decision-makers that there is broader support for flag change.)
6. **Involving students** advances the cause—whether they drive the effort or are simply assured inclusion in it, their involvement can induce political support.
7. **Public voting is not always necessary**—half of the flags were adopted by city councils without a public consultation or vote, relying instead on committees or the council itself to decide.
8. **Smaller cities** seem to have more success. Nearly all of the cities adopting new flags have populations of fewer than 150,000. Perhaps the complexity of politics in larger cities makes flag change more difficult, or maybe there are just more small cities in the universe considered.
9. It helps to consider the process from a **public-relations** perspective, and to plan a campaign to build public support—first for flag change and then for the design adopted.
10. Most contemporary flag-change efforts employ **social media** to reach, influence, and hear from the public, actively using websites, blogs, Facebook, Twitter, Reddit, scribd, change.org, Straw Poll, and SurveyMonkey.
11. City officials must **be prepared for negative reactions** (to flag change, to proposed designs, and event to the final flag chosen). They are often surprised by the volume and magnitude of criticism.
12. **The process can take much longer** than people expect. (While some efforts have taken as little as two months from start to finish, most take much longer and some have gone on for more than three years.)

APPENDIX 1: Competition—Key Decisions / Alternatives [with comments]

Who can participate?

- Anyone
- Only residents (how to control this—check box?)
 - e.g. resident, worker, business owner, from there...

[Open participation delivers better designs. Odds are a local will submit the winner. But if an “outsider” wins, that can be finessed (“we rate global interest!”).]

How many entries per participant?

- Any number
- Limited number (e.g. 5)
- Only one

[Any of these work. Limitations (5 or 1) can serve to reduce the workload of staff and judges. They also force designers to focus on their best ideas.]

Prize offered?

- Dollar amount (\$50 to \$5,000)
- One flag
- To 2nd & 3rd place too
- Glory

[There’s no evidence that prize money is a significant motivator. Bragging rights and contributing to the city seem to be greater incentives. Recognition and a flag are enough. A small prize amount might actually diminish the perceived importance of the effort.]

Sort into categories of designers?

- Professionals
- Adults
- Children—various age groupings

[This is unusual. Partitioning entries allows for some after-the-fact recognition (e.g., “children’s honorable mentions”); but the consideration of the submissions should be blind to the categories—all judged equally.]

Allow judges to change designs?

- No changes at all
- Alter design, color, components
- Combine different designs (honor both submitters)

[This allows designs that otherwise would lose to compete fully. Judges will often say “if X changed, I would vote for it”.]

Ask to assert copyright?

- Formal disclaimer
[Making the transfer of copyright a condition of submitting a winning design is easy if done up-front.]

On-Line Public Feedback

- Comments (can be requested alone, or as part of other options).
- Voting
- Rating
- Ranking
[Voting is not necessary, and if done should only happen when there are just 2 or 3 finalists. It might take place after a preliminary feedback round with more designs to consider. Rating 0–10 is preferable than ranking (as it provides richer data on public opinion, and can be converted to ranking—but not vice versa), and can be conducted on 3, 5, 10, up to 20 designs. Ask for comments, too.]

On-Line Submissions

- Show submissions as they come in
- Wait until competition closes
- Don't show the entire group
[IF the plan is to show the public all the submissions (not necessary), it is much better to wait until the competition closes—that way there is no “he stole my design” and submitters are not influenced by others.]

On-Line Public Response

- Show votes/ratings/comments as they come in
- Wait
[IF voting/rating on-line, it is much better to wait and NOT show partial results—the public may simply vote for the current “winner”.]

On-Line Description

- Give designer name, age, location
- Hide designer name, age, location (only disclose after the final is chosen)
[IF voting/rating on-line, don't disclose designer information—the public may be swayed by favoring a designer, rather than a design (e.g. “I want the kid to win”).]

APPENDIX 2: Some Resources

NAVA

<https://nava.org/flag-design-resources/>

List of Cities undergoing flag-change:

<https://portlandflag.org/municipal-flag-improvement/>

Good Flag, Bad Flag <http://nava.org/good-flag-bad-flag/>

Roman Mars' TED Talk:

https://www.ted.com/talks/roman_mars_why_city_flags_may_be_the_worst_designed_thing_you_ve_never_noticed

Logan McDougall's TED Talk on Pocatello:

<https://www.youtube.com/watch?v=2FRTP1gqJro&feature=youtu.be>

Some groups promoting their cities' flag-change:

Atlanta, Georgia: <http://atlantacityflag.com/>

Los Angeles, California: <http://www.losangelesflag.org/>

Miami, Florida: <https://www.facebook.com/newmiamiflag>

Milwaukee, Wisconsin: <https://milwaukeeflag.com/>

Rochester, Minnesota: <https://www.rochesterflag.com/>

Rockford, Illinois: https://www.youtube.com/watch?v=rw5_6w6ezmU

Salt Lake City, Utah: <https://www.slc.gov/flag/>

San Francisco, California: <http://www.sanfranciscoflag.com/>

Sioux Falls, South Dakota: <http://www.siouxfallsflag.com/>

Springfield, Missouri: <http://sgfflag.org>

Topeka, Kansas: <https://www.visittopeka.com/topeka-flag/>

Tulsa, Oklahoma: <http://tulsaflag.com>

APPENDIX 3: Flag Design

Designing a flag reflects “Form Follows Function”.

A flag’s usual purpose is to:

- represent a place, organization, or person,
- generally on a rectangular piece of cloth,
- to be seen at a distance, often moving, from both sides,
- and reproduced in quantity, and in many sizes.

This drives the basic principles of flag design: simplicity, meaningful symbolism, few colors, no lettering or seals, and distinctiveness.

But flags are used in many ways. It is important to keep these in mind when considering designs.

- Fly on poles
- Hang limp indoors
- Hang downwards
- Uniform patches
- Lapel pins
- Ship ensigns
- Painted on buildings
- Cover caskets
- Sport celebrations
- Fly with other flags
- Adorn vehicles
- Template—other flags
- Stickers, T-shirts
- Graphic treatments

But another part of “Form Follows Function” is what flags actually do—their purpose.

(This is a higher calling than simply good design—it is good design with a mission.)

- Communicate identity—***this is us***
- Distinguish from others—***we are not them***
- Show connections—***we are similar to them***
- Build commonality—***we are together***
- Stir emotions—***this is ours***

The fundamental function of a flag is signalling at a distance. Flags have other functions—ceremonial, ritual, etc.—but those are secondary.

For a design to succeed at that fundamental function, it must be discernible (the viewer can make out what's on it when it is flapping, backwards, far away) and memorable (the viewer should be able to recall what the flag represents, likely by associating some symbolism on the flag—images, colors, patterns—with the place, as taught to him already).

APPENDIX 4: Technical Details

Advice to designers using design software. (courtesy of Brian Chan and Joe Gates):

When editing flag designs, use .ai files in Adobe Illustrator, so that you can change them later.

When creating the initial file in Illustrator, set the canvas size to 36x60" in CMYK. No need for bleed area. When saving, I like to do so either as an .ai or an Illustrator-editable .pdf. The latter tends to be best since you can send it direct to customers, as almost anyone and their grandmother can open a PDF.

Another piece of advice: embed Pantone colors, if possible. Unfortunately, in the very near future, Adobe will force you to pay for use of the Pantone Solid Coated color book and others. However, as long as you call out Pantone colors when submitting to the factory, they will be able to match them for you.

When sharing with a manufacturer, supply a .pdf or .eps file. They might have requirements about the canvas size or resolution but will usually scale your file appropriately.

When sharing online, I usually export as a lossless bitmap with a 600 pixel height, so for a 3:5 ratio flag, it would be a 600 x 1000 pixel .png file. Note that social media networks usually compress images heavily, leaving them as awful .jpg files with fuzzy edges and blotchy colors, but there's only so much you can do about that.

One workaround is to keep the high-res image file on your personal site and link to the page on social media instead of re-posting the image, so people have to view the full resolution.

Another workaround is to post a photo of a physical flying flag, so the image compression is not noticeable.