



**UBS Financial Services Inc.**

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## The Prime Meridian Group.

Comprehensive Wealth Planning and Management

Advice. *Beyond investing.*



*Updated as of February, 2018*



One of every two billionaires  
in the world has a relationship  
with **UBS**.



# Excellence recognized. Again.



UBS was named the world's **Best Global Private Bank**  
in the 2018 *Euromoney* Private Banking Survey—*now three years in a row.*

In addition to earning top spots in more than 167 categories around the world, our recognition as *Best Global Private Bank* stands out as a direct reflection of our strong commitment to clients and comprehensive wealth management.

We are also proud in that it speaks to our ability to deliver thoughtful advice and to be able to earn your trust in a challenging environment.

We want to continue to address your entire financial life so you can pursue everything that's important to you. Please don't hesitate to contact us if you have any questions. And let's keep talking.

We look forward to continuing to serve you with distinction.

Euromoney has presented awards to outstanding financial institutions since 1992. Awards were independently determined and awarded by the Euromoney editorial team. For more information, visit their website. UBS did not pay a fee in exchange for these awards.

In providing wealth management services to clients, we offer both investment advisory and brokerage services which are separate and distinct and differ in material ways. For information, including the different laws and contracts that govern, visit [ubs.com/workingwithus](https://ubs.com/workingwithus).

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# Introduction

**Most people want** to know that they will have a comfortable life, be able to provide for themselves and their loved ones, and have the reward of passing their wealth on to their family, to their church or synagogue, or to charities or causes of their choosing.

**Your future** is far too important to leave to chance. It should be supported by a comprehensive financial plan backed by stewardship which values a business approach to reliability, predictability, and repeatability rather than gambling on the markets or speculating on your outcomes.

**The challenges are substantial...** interest rates, volatility, irrational markets, taxation, inflation, health care, and more. Even worse is trying to sort through all the financial noise to find that sensible solution. It seems like every 30 seconds some pitch man is offering a quick trick, an insurance scheme, or a "sure bet" that turns out to be a risky venture or simply a fraudulent con. And, your financial plan should focus on income rather than calculating your odds in the market.

We would like to equip you with some very old, common-sense principles that have helped preserve the wealth of multi-generational families, institutions, and private foundations for centuries. Once you develop this business mindset to your savings—**you will have far greater peace of mind.**

Common sense. Logic and reason. Reliability, predictability, and repeatability. Lasting wealth and legacy. If these values appeal to you, I look forward to our next meaningful conversation.

Diligently,



The Prime Meridian Group



**William F. Blake**  
Financial Advisor and  
leader of The Prime  
Meridian Group

Nearly three decades working with cash flow, private equity, investment real estate, foreign & domestic securities as well as planning and insurance.

M.S. with Honours, The London School of Economics  
Letters of Merit and Distinction in Economics,  
International Finance, Political Science, and International  
Relations.

Professional education centered on the eleven core  
planning areas of managing high net worth.

Investment Advisory registered (Series 7 & 66) and  
insurance licensed. Registered and serving clients in TX,  
FL, VA, MI, KS, CO, NC, GA, and LA.

Bill is married to Vicki with children William, Lauren, and  
Tyler, residents of Deerfield in Plano, Texas.

Learn more at:  
[www.ubs.com/fa/billblake/biography.html](http://www.ubs.com/fa/billblake/biography.html)

# Your Support Staff and Specialists

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## The Prime Meridian Group. Comprehensive Wealth Planning and Management



From left to right:

- Susan M. Owen, Senior Assistant
- Pooja Agarwal, Project Coordinator
- Erik Seeney, J.D., Tax & Business Planning Attorney
- Kelly Perez, J.D., Estate Planning Attorney
- Kevin Walsh, Banking & Lending Solutions
- Tony De Vita, Insurance Solutions
- David Ginsberg, CRPC, Planning Strategist
- Deborah Markwood (not pictured), Trust Specialist
- Research economists, strategists, and analysts in major global centers
- Washington Public Policy office led by John Savercool
- Banking operations in over 50 countries around the world.

# Our Distinctive Standards of Stewardship

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## We believe in stewardship.

This is a personal commitment to work diligently for you with loyalty, responsiveness, accountability, transparency, discretion toward your privacy, and humility.

Here are just four ways this standard serves you better...

- 1. We stand with you when you need help: days, nights, and weekends.** You have direct mobile access to Bill Blake 24 / 7, without gatekeepers or business hours. If you have a question, a problem, an emergency, or a decision, Bill is there to stand with you, to listen, to help you sort things out, to find answers for you. This is a close, confidential relationship that you will value.
- 2. We are motivated by our care for you, not our ego.** We take the time to patiently explain things and answer questions, to empower you with useful knowledge and an understanding of your assets, and to research resources and opportunities that will help you. We ask questions about your life, your loves ones, and changes taking place. How can anyone help you secure your chosen way of life, if they don't know what's going on in your life?
- 3. We work tirelessly to make sure that you know more than others.** First, you will know what assets you own, why you own them, and what we expect from them. We keep you informed of issues which can affect your wealth regarding individual assets, the capital markets, and drivers of change from geopolitics & economics to public policy. You will know cash flow investing, methodically. You will have easy-to-understand reports of your assets and cash flow. And, you will leave every meeting with greater knowledge and understanding.
- 4. We serve a limited number of clients; and, we serve them thoroughly.** We draft your long-term cash flow plan, build your balance sheet, manage those assets, collect & transmit your cash flow, and work to find you solutions and uncover risks. This requires an enormous amount of research, investigation, and evaluation. Our work frequently involves:
  - ✓ Trusts
  - ✓ Tax deferral strategies
  - ✓ Business/practice succession planning
  - ✓ Profit sharing plans
  - ✓ Banking and credit facilities
  - ✓ Protection and risk management
  - ✓ Family funding structures for education and incentivized support
  - ✓ Collaborating with legal and tax professionals to pursue tax savings and to preserve their intentions well beyond our clients' lives.

# Our Core Principles of Building Lasting Wealth and Peace of Mind

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## **Reliability, Predictability, and Repeatability.**

We seek the greater reliability, predictability, and repeatability that comes from owning assets which make recurring payments, on scheduled dates, in predictable amounts, in the form of spendable cash, paid to your accounts. While prices constantly move up and down in the markets, cash flow is an absolute return paid to you by the asset, not the marketplace.



## **Purpose and Clarity.**

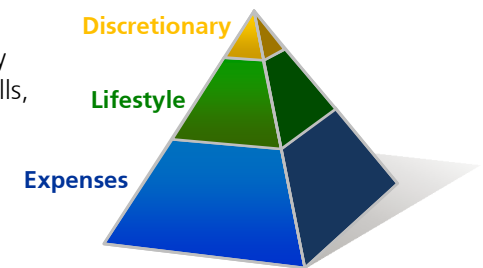
We work with you to establish what your wealth should and can accomplish. We build clarity through a long-term cash flow plan that looks out over the decades of your life to pay the bills, provide a comfortable lifestyle, cover inflation and health care costs in later years, and efficiently transmit wealth into the next generation.



## **A Protective Attitude.**

We adhere to seven defensive principles which work to protect your wealth:

- 1. Meaningful, rising cash flow**—*always get paid, year after year.*
- 2. Liquidity**—*always keep the power to change your mind.*
- 3. Transparency**—*scrutiny and disclosure are essential for an informed decision.*
- 4. Tax-efficiency**—*it isn't what you make, it's what you can keep.*
- 5. Diversification**—*own lots and lots of different kinds of things.*
- 6. Risk Compartmentalization**—*never own too much of any one good thing, no matter how good it is.*
- 7. Economic Necessity**—*own things that people cannot and will not live without.*



**Our objective is a well-planned lifetime of rising, recurring cash flow.**

**Our ultimate success is measured in your peace of mind.**

# Common Sense at Work

Stewardship and principles are important. **But, so is actually seeing your assets working for you.**

Nothing builds confidence and peace of mind quite like watching recurring cash payments being deposited into your account. We provide you with regularly updated tracking, using three *easy-to-read* documents:

UBS

Consolidated report prepared for Dr. & Mrs. Frank Wilson

### Portfolio holdings

as of September 30, 2013

#### Summary of Portfolio Holdings

	Value on Cost basis (\$)	Unrealized gains/losses (\$)	Unrealized gains/losses (%)	Est. annual income (\$)	Current yield (%)	% of portfolio
<b>A Cash</b>	<b>27,861.16</b>	<b>27,861.16</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
Money funds	27,861.16	27,861.16	0.00%	0.00%	0.00%	0.00%
<b>B Fixed income</b>	<b>4,507,407.92</b>	<b>5,054,409.21</b>	<b>208,896.29</b>	<b>7,665</b>	<b>208,896.29</b>	<b>5.03%</b>
Corporate bonds & bonds	1,712,536.32	2,005,525.32	292,989.00	17,100	124,917.77	6.23%
Preferred securities	248,275.28	298,126.25	50,000.00	4,200	16,800.00	5.55%
Open and mutual funds	158,245.21	162,225.23	4,000.00	5,688	8,278.14	4.95%
Fixed income mutual funds and notes	8,092,333.00	8,092,333.00	0.00%	13,612.00	4.95%	1.40%
<b>C Equity</b>	<b>5,254,233.32</b>	<b>6,543,903.66</b>	<b>1,287,670.44</b>	<b>24,511</b>	<b>311,574.35</b>	<b>5.37%</b>
U.S. common stock	1,637,271.32	2,274,276.96	637,005.64	41,251	105,976.00	4.59%
Master limited partnerships	1,408,256.79	1,905,275.62	496,978.83	27,167	128,174.98	6.78%
International common stock	189,995.23	142,275.32	-2,720.00	8,716.33	5,500.00	3.47%
American depositary receipts	485,786.23	507,275.62	21,489.39	4,422	24,900.27	4.91%
Convertible bonds	587,275.62	605,275.62	18,000.00	3,000	18,000.00	3.12%
Open and mutual funds	195,789.32	278,275.32	82,486.00	42,111	16,364.58	5.88%
Preferred securities	475,275.32	507,275.32	32,000.00	5,000	32,000.00	6.01%
Open and mutual funds	224,887.00	281,275.32	56,388.32	9,511	17,852.00	6.51%
<b>D Commodities</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>E Non-Traditional</b>	<b>21,000.00</b>	<b>21,000.00</b>	<b>0.00%</b>	<b>2,000.00</b>	<b>10.00%</b>	<b>0.00%</b>
Open and mutual funds	21,000.00	21,000.00	0.00%	2,000.00	10.00%	0.00%
<b>F Other</b>	<b>248,937.50</b>	<b>248,937.50</b>	<b>14,551.08</b>	<b>5.50%</b>	<b>15,320.23</b>	<b>5.87%</b>
Open and mutual funds	248,937.50	248,937.50	14,551.08	5.50%	15,320.23	5.87%
Open and mutual funds	248,937.50	248,937.50	14,551.08	5.50%	15,320.23	5.87%
<b>Total Portfolio</b>	<b>\$16,254,339.80</b>	<b>\$17,113,644.36</b>	<b>\$1,639,105.16</b>	<b>16.15%</b>	<b>\$495,442.02</b>	<b>5.26%</b>

Report created on October 1, 2013

—SAMPLE REPORT—

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**Holdings Report**  
(where we're at)

UBS

Consolidated report prepared for Dr. & Mrs. Frank Wilson

### Expected cash flow

from 10/01/2013 to 09/30/2014

#### Summary of expected cash flows

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April
<b>Total Portfolio</b>	<b>47,891</b>	<b>56,762</b>	<b>10,584</b>	<b>46,767</b>	<b>63,242</b>	<b>51,594</b>	<b>47,891</b>	<b>56,762</b>	<b>10,584</b>	<b>46,767</b>	<b>63,242</b>	<b>51,594</b>	<b>47,891</b>	<b>56,762</b>	<b>10,584</b>	<b>46,767</b>	<b>63,242</b>	<b>51,594</b>	<b>47,891</b>
<b>Taxable</b>	<b>21,427</b>	<b>31,154</b>	<b>20,540</b>	<b>22,516</b>	<b>20,877</b>	<b>18,918</b>	<b>21,427</b>	<b>31,154</b>	<b>20,540</b>	<b>22,516</b>	<b>20,877</b>	<b>18,918</b>	<b>21,427</b>	<b>31,154</b>	<b>20,540</b>	<b>22,516</b>	<b>20,877</b>	<b>18,918</b>	<b>21,427</b>
<b>Taxable U.S. income</b>	<b>14,131</b>	<b>23,817</b>	<b>17,231</b>	<b>16,583</b>	<b>14,939</b>	<b>14,131</b>	<b>14,131</b>	<b>23,817</b>	<b>17,231</b>	<b>16,583</b>	<b>14,939</b>	<b>14,131</b>	<b>14,131</b>	<b>23,817</b>	<b>17,231</b>	<b>16,583</b>	<b>14,939</b>	<b>14,131</b>	<b>14,131</b>
<b>Dividends</b>	<b>4,367</b>	<b>5,103</b>	<b>3,237</b>	<b>4,138</b>	<b>4,138</b>	<b>2,417</b>	<b>4,367</b>	<b>5,103</b>	<b>3,237</b>	<b>4,138</b>	<b>4,138</b>	<b>2,417</b>	<b>4,367</b>	<b>5,103</b>	<b>3,237</b>	<b>4,138</b>	<b>4,138</b>	<b>2,417</b>	<b>4,367</b>
<b>Interest payments</b>	<b>2,305</b>	<b>2,214</b>	<b>2,208</b>	<b>2,208</b>	<b>2,208</b>	<b>1,652</b>	<b>2,305</b>	<b>2,214</b>	<b>2,208</b>	<b>2,208</b>	<b>2,208</b>	<b>1,652</b>	<b>2,305</b>	<b>2,214</b>	<b>2,208</b>	<b>2,208</b>	<b>2,208</b>	<b>1,652</b>	<b>2,305</b>
<b>Taxable non-U.S. income</b>	<b>2,305</b>	<b>2,214</b>	<b>2,208</b>	<b>2,208</b>	<b>2,208</b>	<b>1,652</b>	<b>2,305</b>	<b>2,214</b>	<b>2,208</b>	<b>2,208</b>	<b>2,208</b>	<b>1,652</b>	<b>2,305</b>	<b>2,214</b>	<b>2,208</b>	<b>2,208</b>	<b>2,208</b>	<b>1,652</b>	<b>2,305</b>
<b>Dividends</b>	<b>2,305</b>	<b>2,214</b>	<b>2,208</b>	<b>2,208</b>	<b>2,208</b>	<b>1,652</b>	<b>2,305</b>	<b>2,214</b>	<b>2,208</b>	<b>2,208</b>	<b>2,208</b>	<b>1,652</b>	<b>2,305</b>	<b>2,214</b>	<b>2,208</b>	<b>2,208</b>	<b>2,208</b>	<b>1,652</b>	<b>2,305</b>
<b>Interest payments</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Tax-exempt</b>	<b>9,102</b>	<b>7,893</b>	<b>8,940</b>	<b>14,156</b>	<b>9,102</b>	<b>11,158</b>	<b>9,102</b>	<b>7,893</b>	<b>8,940</b>	<b>14,156</b>	<b>9,102</b>	<b>11,158</b>	<b>9,102</b>	<b>7,893</b>	<b>8,940</b>	<b>14,156</b>	<b>9,102</b>	<b>11,158</b>	<b>9,102</b>
<b>Tax-exempt U.S. income</b>	<b>9,102</b>	<b>7,893</b>	<b>8,940</b>	<b>14,156</b>	<b>9,102</b>	<b>11,158</b>	<b>9,102</b>	<b>7,893</b>	<b>8,940</b>	<b>14,156</b>	<b>9,102</b>	<b>11,158</b>	<b>9,102</b>	<b>7,893</b>	<b>8,940</b>	<b>14,156</b>	<b>9,102</b>	<b>11,158</b>	<b>9,102</b>
<b>Dividends</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Interest payments</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Tax-deferred</b>	<b>16,502</b>	<b>11,189</b>	<b>14,099</b>	<b>17,251</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>
<b>Tax-deferred U.S. income</b>	<b>16,502</b>	<b>11,189</b>	<b>14,099</b>	<b>17,251</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>	<b>16,502</b>
<b>Dividends</b>	<b>4,827</b>	<b>4,442</b>	<b>5,731</b>	<b>6,851</b>	<b>5,564</b>	<b>6,131</b>	<b>4,827</b>	<b>4,442</b>	<b>5,731</b>	<b>6,851</b>	<b>5,564</b>	<b>6,131</b>	<b>4,827</b>	<b>4,442</b>	<b>5,731</b>	<b>6,851</b>	<b>5,564</b>	<b>6,131</b>	<b>4,827</b>
<b>Interest payments</b>	<b>7,555</b>	<b>6,547</b>	<b>8,368</b>	<b>10,400</b>	<b>8,750</b>	<b>9,589</b>	<b>7,555</b>	<b>6,547</b>	<b>8,368</b>	<b>10,400</b>	<b>8,750</b>	<b>9,589</b>	<b>7,555</b>	<b>6,547</b>	<b>8,368</b>	<b>10,400</b>	<b>8,750</b>	<b>9,589</b>	<b>7,555</b>
<b>Tax-deferred non-U.S. income</b>	<b>4,126</b>	<b>3,796</b>	<b>4,960</b>	<b>5,859</b>	<b>4,756</b>	<b>5,240</b>	<b>4,126</b>	<b>3,796</b>	<b>4,960</b>	<b>5,859</b>	<b>4,756</b>	<b>5,240</b>	<b>4,126</b>	<b>3,796</b>	<b>4,960</b>	<b>5,859</b>	<b>4,756</b>	<b>5,240</b>	<b>4,126</b>
<b>Dividends</b>	<b>1,939</b>	<b>1,788</b>	<b>2,303</b>	<b>2,754</b>	<b>2,235</b>	<b>2,463</b>	<b>1,939</b>	<b>1,788</b>	<b>2,303</b>	<b>2,754</b>	<b>2,235</b>	<b>2,463</b>	<b>1,939</b>	<b>1,788</b>	<b>2,303</b>	<b>2,754</b>	<b>2,235</b>	<b>2,463</b>	<b>1,939</b>
<b>Interest payments</b>	<b>2,187</b>	<b>2,008</b>	<b>2,657</b>	<b>3,105</b>	<b>2,521</b>	<b>2,777</b>	<b>2,187</b>	<b>2,008</b>	<b>2,657</b>	<b>3,105</b>	<b>2,521</b>	<b>2,777</b>	<b>2,187</b>	<b>2,008</b>	<b>2,657</b>	<b>3,105</b>	<b>2,521</b>	<b>2,777</b>	<b>2,187</b>

Report created on October 1, 2013

—SAMPLE REPORT—

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**Cash Flow Report**  
(what we expect)

# Annual Cash Flows & Projected Net Worth Summary

Frank and Joanne Wilson

Integrated Cash Flows Before Cash Flow Deficit Funding

Year	Pre-Tax Cash Income	After-Tax Cash Outflows	Estimated Total Taxes	Cash Flow Surplus/Deficit	Personal Financial Assets	Assets	Personal Property and Residences	Personal Financial Assets & Residences	Accumulated Surplus/Deficit	Personal Net Worth and Income
2013	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	498,931	21,238,124
2014	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	519,931	21,238,124
2015	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	540,931	21,238,124
2016	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	561,931	21,238,124
2017	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	582,931	21,238,124
2018	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	603,931	21,238,124
2019	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	624,931	21,238,124
2020	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	645,931	21,238,124
2021	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	666,931	21,238,124
2022	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	687,931	21,238,124
2023	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	708,931	21,238,124
2024	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	729,931	21,238,124
2025	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	750,931	21,238,124
2026	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	771,931	21,238,124
2027	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	792,931	21,238,124
2028	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	813,931	21,238,124
2029	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	834,931	21,238,124
2030	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	855,931	21,238,124
2031	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	876,931	21,238,124
2032	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	897,931	21,238,124
2033	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	918,931	21,238,124
2034	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	939,931	21,238,124
2035	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	960,931	21,238,124
2036	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	981,931	21,238,124
2037	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,002,931	21,238,124
2038	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,023,931	21,238,124
2039	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,044,931	21,238,124
2040	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,065,931	21,238,124
2041	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,086,931	21,238,124
2042	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,107,931	21,238,124
2043	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,128,931	21,238,124
2044	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,149,931	21,238,124
2045	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,170,931	21,238,124
2046	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,191,931	21,238,124
2047	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,212,931	21,238,124
2048	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,233,931	21,238,124
2049	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,254,931	21,238,124
2050	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,275,931	21,238,124
2051	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,296,931	21,238,124
2052	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,317,931	21,238,124
2053	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,338,931	21,238,124
2054	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,359,931	21,238,124
2055	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,380,931	21,238,124
2056	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,401,931	21,238,124
2057	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,422,931	21,238,124
2058	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,443,931	21,238,124
2059	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,464,931	21,238,124
2060	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,485,931	21,238,124
2061	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,506,931	21,238,124
2062	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,527,931	21,238,124
2063	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,548,931	21,238,124
2064	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,569,931	21,238,124
2065	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,590,931	21,238,124
2066	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,611,931	21,238,124
2067	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,632,931	21,238,124
2068	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,653,931	21,238,124
2069	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,674,931	21,238,124
2070	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,695,931	21,238,124
2071	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,716,931	21,238,124
2072	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,737,931	21,238,124
2073	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,758,931	21,238,124
2074	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,779,931	21,238,124
2075	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,800,931	21,238,124
2076	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,821,931	21,238,124
2077	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,842,931	21,238,124
2078	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,863,931	21,238,124
2079	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,884,931	21,238,124
2080	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,905,931	21,238,124
2081	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,926,931	21,238,124
2082	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,947,931	21,238,124
2083	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,968,931	21,238,124
2084	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	1,989,931	21,238,124
2085	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	2,010,931	21,238,124
2086	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	2,031,931	21,238,124
2087	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	2,052,931	21,238,124
2088	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	2,073,931	21,238,124
2089	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	2,094,931	21,238,124
2090	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	2,115,931	21,238,124
2091	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	2,136,931	21,238,124
2092	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	2,157,931	21,238,124
2093	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	2,178,931	21,238,124
2094	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	2,199,931	21,238,124
2095	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	2,220,931	21,238,124
2096	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	2,241,931	21,238,124
2097	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	2,262,931	21,238,124
2098	769,634	601,624	168,010	21,000	18,539,393	0	5,121,200	18,539,393	2,283,931	21,238,124
2099	769,634	60								





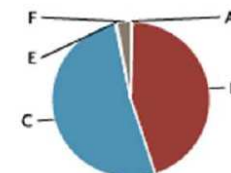
# Portfolio holdings

as of September 30, 2013

## Summary of Portfolio Holdings

	Cost basis (\$)	Value on 09/30/2014 (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of portfolio
<b>A Cash</b>	<b>27,961.16</b>	<b>27,961.16</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.23%</b>
Money funds	47,285.31	47,285.31	0.00	0.00%	0.00	0.00%	0.40%
Cash	-19,324.15	-19,324.15	0.00	0.00%	0.00	0.00%	-0.16%
<b>B Fixed Income</b>	<b>4,697,407.92</b>	<b>5,054,304.21</b>	<b>356,896.29</b>	<b>7.60%</b>	<b>285,656.30</b>	<b>5.65%</b>	<b>42.42%</b>
Corporate notes & bonds	413,258.58	417,254.13	3,995.55	0.97%	23,658.31	5.67%	3.50%
Preferred securities	1,712,536.32	2,005,325.32	292,789.00	17.10%	124,931.77	6.23%	16.83%
Open end mutual funds	248,235.23	259,138.25	10,903.02	4.39%	14,330.35	5.53%	2.18%
Closed end mutual funds	158,245.21	167,235.23	8,990.02	5.68%	8,278.14	4.95%	1.40%
Coupon municipal bonds and notes	2,165,132.58	2,205,351.28	40,218.70	1.86%	114,457.73	5.19%	18.51%
<b>C Equity</b>	<b>5,254,233.22</b>	<b>6,541,903.66</b>	<b>1,287,670.44</b>	<b>24.51%</b>	<b>351,574.35</b>	<b>5.37%</b>	<b>54.91%</b>
U.S. common stock	1,637,251.32	2,314,236.98	676,985.66	41.35%	105,992.05	4.58%	19.43%
Master limited partnerships	1,498,256.79	1,905,235.62	406,978.83	27.16%	129,174.98	6.78%	15.99%
International common stock	149,995.23	147,235.32	-2,759.91	-1.84%	8,716.33	5.92%	1.24%
American depository receipts	485,786.23	507,235.62	21,449.39	4.42%	24,905.27	4.91%	4.26%
Convertible bonds	587,235.62	605,235.61	17,999.99	3.07%	18,883.35	3.12%	5.08%
Closed end mutual funds	195,789.32	278,235.10	82,445.78	42.11%	16,304.58	5.86%	2.34%
Preferred securities	475,231.21	503,251.26	28,020.05	5.90%	30,245.40	6.01%	4.22%
Open end mutual funds	224,687.50	281,238.15	56,550.65	25.17%	17,352.39	6.17%	2.36%
<b>D Commodities</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00%</b>
<b>E Non-Traditional</b>	<b>25,000.00</b>	<b>24,987.35</b>	<b>-12.65</b>	<b>-0.05%</b>	<b>2,691.14</b>	<b>10.77%</b>	<b>0.21%</b>
Open end mutual funds	25,000.00	24,987.35	-12.65	-0.05%	2,691.14	10.77%	0.21%
<b>F Other</b>	<b>249,937.50</b>	<b>264,488.58</b>	<b>14,551.08</b>	<b>5.50%</b>	<b>15,520.23</b>	<b>5.87%</b>	<b>2.22%</b>
Open end mutual funds	190,536.27	207,253.35	16,717.08	8.77%	11,067.33	5.34%	1.74%
Closed end mutual funds	59,401.23	57,235.23	-2,166.00	-3.65%	4,452.90	7.78%	0.48%
<b>Total Portfolio</b>	<b>\$10,254,539.80</b>	<b>\$11,913,644.96</b>	<b>\$1,659,105.16</b>	<b>16.18%</b>	<b>\$655,442.02</b>	<b>5.50%</b>	<b>100%</b>

Balanced mutual funds are allocated in the 'Other' category





# Expected cash flow

from 10/01/2013 to 09/30/2014

## Summary of expected cash flows

	2013			2014									Total (\$)
	October	November	December	January	February	March	April	May	June	July	August	September	
<b>Total Portfolio</b>	<b>47,031</b>	<b>56,192</b>	<b>50,084</b>	<b>60,107</b>	<b>63,252</b>	<b>51,056</b>	<b>47,031</b>	<b>56,192</b>	<b>50,084</b>	<b>60,107</b>	<b>63,252</b>	<b>51,056</b>	<b>655,442</b>
<b>Taxable</b>	<b>21,427</b>	<b>33,154</b>	<b>20,540</b>	<b>22,516</b>	<b>35,077</b>	<b>18,938</b>	<b>21,427</b>	<b>33,154</b>	<b>20,540</b>	<b>22,516</b>	<b>35,077</b>	<b>18,938</b>	<b>303,301</b>
<b>Taxable U.S. income</b>	<b>19,122</b>	<b>30,940</b>	<b>18,272</b>	<b>20,721</b>	<b>33,473</b>	<b>17,286</b>	<b>19,122</b>	<b>30,940</b>	<b>18,272</b>	<b>20,721</b>	<b>33,473</b>	<b>17,286</b>	
Dividends	14,135	25,837	17,235	16,583	28,935	14,859	14,135	25,837	17,235	16,583	28,935	14,859	235,167
Interest payments	4,987	5,103	1,037	4,138	4,538	2,427	4,987	5,103	1,037	4,138	4,538	2,427	44,460
<b>Taxable non-U.S. income</b>	<b>2,305</b>	<b>2,214</b>	<b>2,268</b>	<b>1,795</b>	<b>1,604</b>	<b>1,652</b>	<b>2,305</b>	<b>2,214</b>	<b>2,268</b>	<b>1,795</b>	<b>1,604</b>	<b>1,652</b>	
Dividends	2,305	1,614	1,915	1,795	1,604	1,652	2,305	1,614	1,915	1,795	1,604	1,652	21,769
Interest payments		600	353					600	353				1,905
<b>Tax-Exempt</b>	<b>9,102</b>	<b>7,853</b>	<b>9,945</b>	<b>14,156</b>	<b>9,153</b>	<b>11,159</b>	<b>9,102</b>	<b>7,853</b>	<b>9,945</b>	<b>14,156</b>	<b>9,153</b>	<b>11,159</b>	<b>122,736</b>
<b>Tax-exempt U.S. income</b>	<b>9,102</b>	<b>7,853</b>	<b>9,945</b>	<b>14,156</b>	<b>9,153</b>	<b>11,159</b>	<b>9,102</b>	<b>7,853</b>	<b>9,945</b>	<b>14,156</b>	<b>9,153</b>	<b>11,159</b>	
Dividends	690	690	690	690	690	690	690	690	690	690	690	690	8,280
Interest payments	8,412	7,163	9,255	13,466	8,463	10,469	8,412	7,163	9,255	13,466	8,463	10,469	114,456
<b>Tax-deferred</b>	<b>16,502</b>	<b>15,185</b>	<b>19,599</b>	<b>23,435</b>	<b>19,022</b>	<b>20,959</b>	<b>16,502</b>	<b>15,185</b>	<b>19,599</b>	<b>23,435</b>	<b>19,022</b>	<b>20,959</b>	<b>229,405</b>
<b>Tax-deferred U.S. income</b>	<b>12,377</b>	<b>11,389</b>	<b>14,699</b>	<b>17,576</b>	<b>14,267</b>	<b>15,719</b>	<b>12,377</b>	<b>11,389</b>	<b>14,699</b>	<b>17,576</b>	<b>14,267</b>	<b>15,719</b>	
Dividends	4,827	4,442	5,733	6,855	5,564	6,131	4,827	4,442	5,733	6,855	5,564	6,131	67,101
Interest payments	7,550	6,947	8,967	10,722	8,703	9,589	7,550	6,947	8,967	10,722	8,703	9,589	104,952
<b>Tax-deferred non-U.S.</b>	<b>4,126</b>	<b>3,796</b>	<b>4,900</b>	<b>5,859</b>	<b>4,756</b>	<b>5,240</b>	<b>4,126</b>	<b>3,796</b>	<b>4,900</b>	<b>5,859</b>	<b>4,756</b>	<b>5,240</b>	
Dividends	1,939	1,784	2,303	2,754	2,235	2,463	1,939	1,784	2,303	2,754	2,235	2,463	26,955
Interest payments	2,187	2,012	2,597	3,105	2,520	2,777	2,187	2,012	2,597	3,105	2,520	2,777	30,396

# Annual Cash Flows & Projected Net Worth Summary

Integrated Cash Flows Before Cash Flow Deficit Funding					Assets						
Year	Pre-Tax Cash Inflows	After-Tax Cash Outflows	Estimated Total Taxes	Cash Flow Surplus/Deficit	Personal Financial Assets	Unmarketable Assets	Personal Property and Residences	Irrevocable Trusts & Education Funds	Liabilities	Accumulated Surplus/(Deficit)	Personal Net Worth and Estate Planning Vehicles
2012	\$690,375	-\$684,624	-\$294,266	-\$288,515	\$17,570,720	\$0	\$3,060,000	\$157,500	\$523,519	\$0	\$20,264,701
2013	707,634	-597,624	-320,391	-210,380	18,539,393	0	3,121,200	169,313	490,591	0	21,339,314
2014	725,325	-610,949	-328,465	-214,089	19,555,186	0	3,183,624	182,011	455,631	0	22,465,189
2015	743,458	-624,607	-336,744	-217,892	20,620,494	0	3,247,296	195,662	418,516	0	23,644,937
2016	7,412,371	-1,584,439	-2,736,834	3,091,098	18,338,673	0	3,312,242	210,336	379,111	0	21,482,142
2017	5,238,405	-1,617,127	-1,820,796	1,800,482	16,868,461	0	3,378,487	226,112	337,275	0	20,135,785
2018	10,986,068	-4,148,441	-3,238,520	3,599,106	13,522,159	0	3,446,057	243,070	292,859	0	16,918,426
2019	157,705	-611,207	-152,979	-606,481	13,372,368	0	3,514,978	184,794	245,704	0	16,826,436
2020	164,210	-627,435	-152,700	-615,925	13,210,877	0	3,585,278	117,480	195,641	0	16,717,994
2021	171,034	-644,226	-152,421	-625,613	13,037,167	0	3,656,983	40,166	142,489	0	16,591,827
2022	133,356	-661,601	-152,078	-680,323	12,805,930	0	3,730,123	0	86,060	0	16,449,993
2023	109,725	-589,399	-157,810	-637,484	12,598,896	0	3,804,725	0	26,149	0	16,377,472
2024	112,420	-565,620	-157,360	-610,560	12,414,865	0	3,880,820	0	0	0	16,295,684
2025	115,178	-552,524	-156,224	-593,570	12,244,489	0	3,958,436	0	0	0	16,202,926
2026	118,003	-566,310	-155,122	-603,429	12,061,280	0	4,037,605	0	0	0	16,098,885
2027	120,895	-580,439	-153,893	-613,436	11,864,781	0	4,118,357	0	0	0	15,983,138
2028	123,856	-594,922	-152,530	-623,596	11,654,524	0	4,200,724	0	0	0	15,855,248
2029	126,887	-609,767	-151,030	-633,910	11,430,027	0	4,284,739	0	0	0	15,714,766
2030	129,913	-624,983	-149,352	-644,423	11,190,832	0	4,370,434	0	0	0	15,561,265
2031	133,087	-640,580	-147,561	-655,054	10,936,392	0	4,457,842	0	0	0	15,394,234
2032	136,248	-656,567	-145,575	-665,894	10,666,223	0	4,546,999	0	0	0	15,213,222
2033	139,479	-672,953	-143,427	-676,901	10,379,792	0	4,637,939	0	0	0	15,017,731
2034	142,780	-689,749	-141,110	-688,079	10,076,545	0	4,730,698	0	0	0	14,807,243
2035	146,152	-706,964	-138,618	-699,430	9,755,919	0	4,825,312	0	0	0	14,581,230
2036	149,596	-724,610	-135,943	-710,958	9,417,329	0	4,921,818	0	0	0	14,339,147
2037	153,112	-742,698	-133,080	-722,665	9,060,180	0	5,020,254	0	0	0	14,080,434
2038	156,577	-761,237	-129,963	-734,624	8,683,913	0	5,120,659	0	0	0	13,804,573
2039	160,108	-780,240	-126,639	-746,771	8,287,904	0	5,223,073	0	0	0	13,510,977
2040	163,706	-799,718	-123,100	-759,112	7,871,509	0	5,327,534	0	0	0	13,199,043
2041	1,167,371	-819,683	-119,338	228,350	8,314,437	0	5,434,085	0	0	0	13,748,521
2042	115,726	-826,442	-147,137	-857,853	7,843,433	0	5,542,766	0	0	0	13,386,200
2043	117,976	-847,103	-142,629	-871,756	7,348,920	0	5,653,622	0	0	0	13,002,542
2044	120,253	-868,280	-137,853	-885,880	6,830,146	0	5,766,694	0	0	0	12,596,840

Frank will retire at age 65 in the year 2016 and Joanne will retire at age 63 in the year 2016.



# Additional Reporting: The UBS Monthly Statement

In addition to the three core working documents, you will automatically receive a traditional monthly statement from UBS...

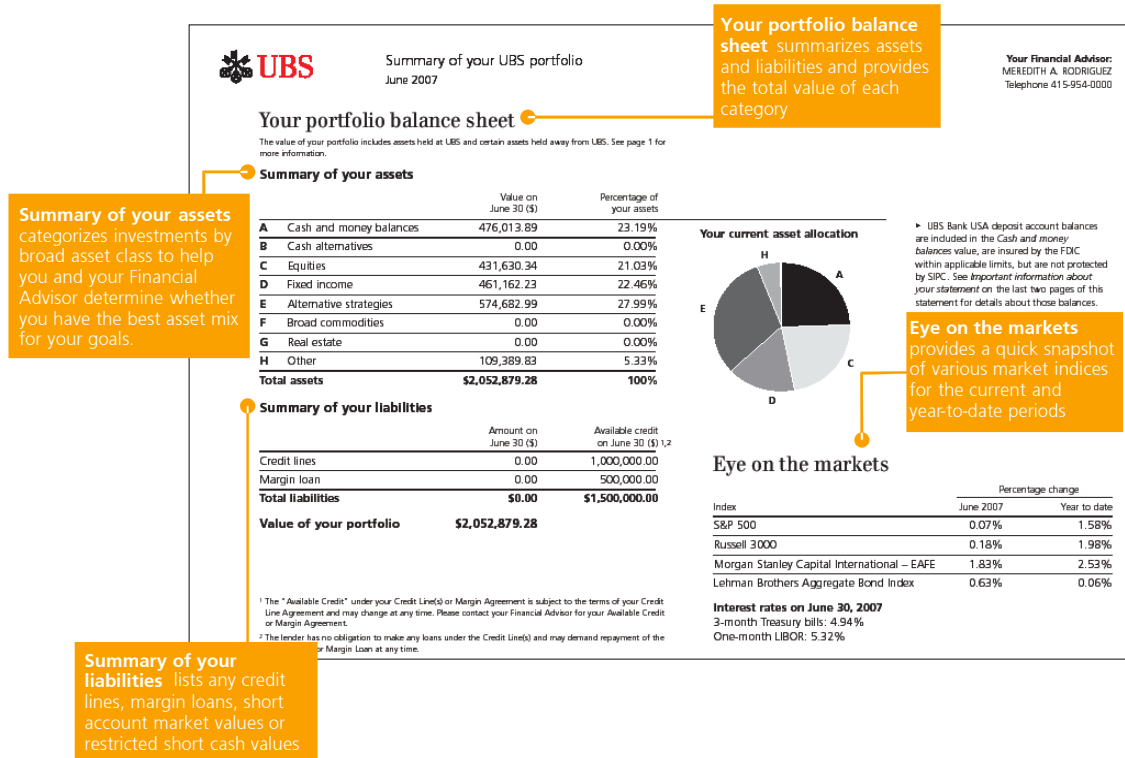
Features include:

Display of change in value of your account and portfolio as a whole

Gains and losses summary separating information into taxable and tax deferred accounts

Easy navigation of individual account statements

Available for viewing on UBS Online Services



Sample data for demonstration purposes only. \*Credit Lines are provided by UBS Bank USA, an affiliate of UBS Financial Services Inc. For complete information and disclosure, please refer to the Important Disclosures section of this presentation.

# Additional Access: UBS Online Services

You can easily monitor your finances, stay informed about your assets and the financial markets, pay bills electronically, and more.

**Cash Management**

**Accounts Summary**

The screenshot displays the UBS online services dashboard. At the top, there's a navigation bar with links like 'Home', 'My Accounts', 'Cash Management', 'Markets', 'Research', and 'Planning Resources'. The main content area is divided into several sections: 'Accounts Summary' showing investment accounts and total assets; 'Markets' with a line chart and index data (DJI, NASDAQ, S&P 500); 'U.S. Market Snapshot' with news snippets; 'Portfolio Performance and Reports' with a description of sophisticated reporting tools; 'Account Events' showing a message about no new news; 'Research' with links to UBS WM Research; and 'Credit Line Rates' with a table of rates for different loan amounts and terms. On the right side, there's a 'Spotlight' section with links to global research and trade activity, and a 'Watch List' table.

**Quotes and Research**

**Credit Line Rates**

**Accounts Summary** offers a consolidated view of your accounts and current asset allocation

**Cash Management** is a one-stop source for your cash management activities, from paying bills to viewing card purchases to redeeming rewards points

**Account Events** shows news on your top equity holdings

**Quotes and Research** offers market data, news and UBS Research in one convenient place

**Credit Line Rates\*** displays current rates for Premier Variable, Premier Fixed and Prime Credit Lines

Sample data for demonstration purposes only. \*Credit Lines are provided by UBS Bank USA, an affiliate of UBS Financial Services Inc. For complete information and disclosure, please refer to the Important Disclosures section of this presentation.



# **UBS...** Your Premier Institutional Resource

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Advice. *Beyond investing.*

Access

Save

Borrow

Grow

Protect

Give

For over 150 years, UBS has been committed to bringing its global resources to bear on the portfolios of high net worth individuals to help them pursue their wealth management goals. Today, as the world's largest wealth manager,\* we are strongly positioned to address the realities of the global economy, and to comprehensively meet the entire range of our clients' sophisticated needs. Customized solutions are delivered by dedicated Financial Advisors who are aligned to help give clients confidence in reaching their goals no matter what the environment.

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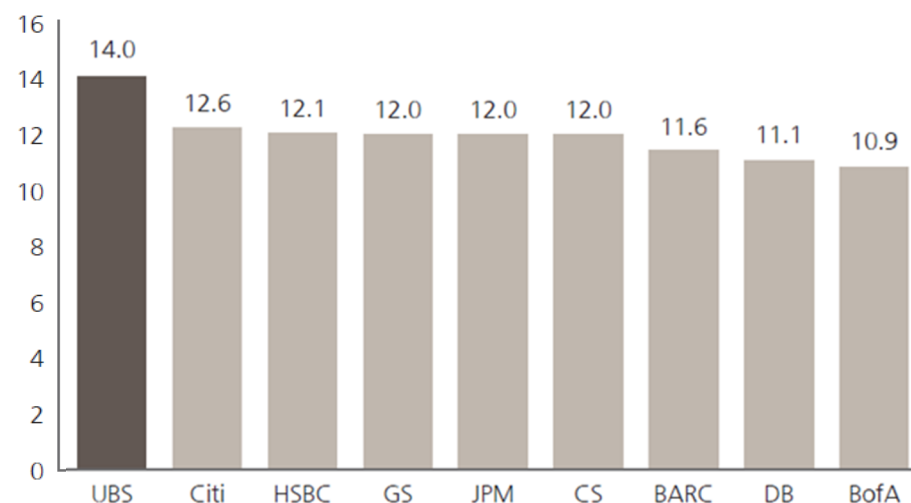
\* Scorpio Partnership's "Global Private Banking Benchmark 2014" rank of global wealth managers by assets under management as of 7.17.14.

# Strong and well-capitalized

UBS remains financially strong, with solid long-term credit ratings and a BIS Basel III common equity Tier 1 (CET1) ratio of 14.0% as of 9.30.16. The Basel III framework is a global regulatory standard on bank capital adequacy, stress testing, and market liquidity risk; it is designed to improve the banking sector's ability to absorb shocks arising from financial and economic stress. UBS surpassed the minimum Basel III CET1 ratio and solidified its position as the most highly capitalized bank in its peer group.

## BIS Basel III common equity Tier 1 ratio (%) – fully applied\*

As of 9.30.16



Source: Companies' reporting

\* All figures are fully applied. UBS and CS are based on Swiss SRB Basel III, other European peers are based on Basel III under CRD IV, while US peers are based on Basel III under advanced approach HSBC as of 09.30.16

For more information, see disclaimers on following page and "Capital Management" section in our quarterly and annual reports available at [ubs.com/investors](http://ubs.com/investors).

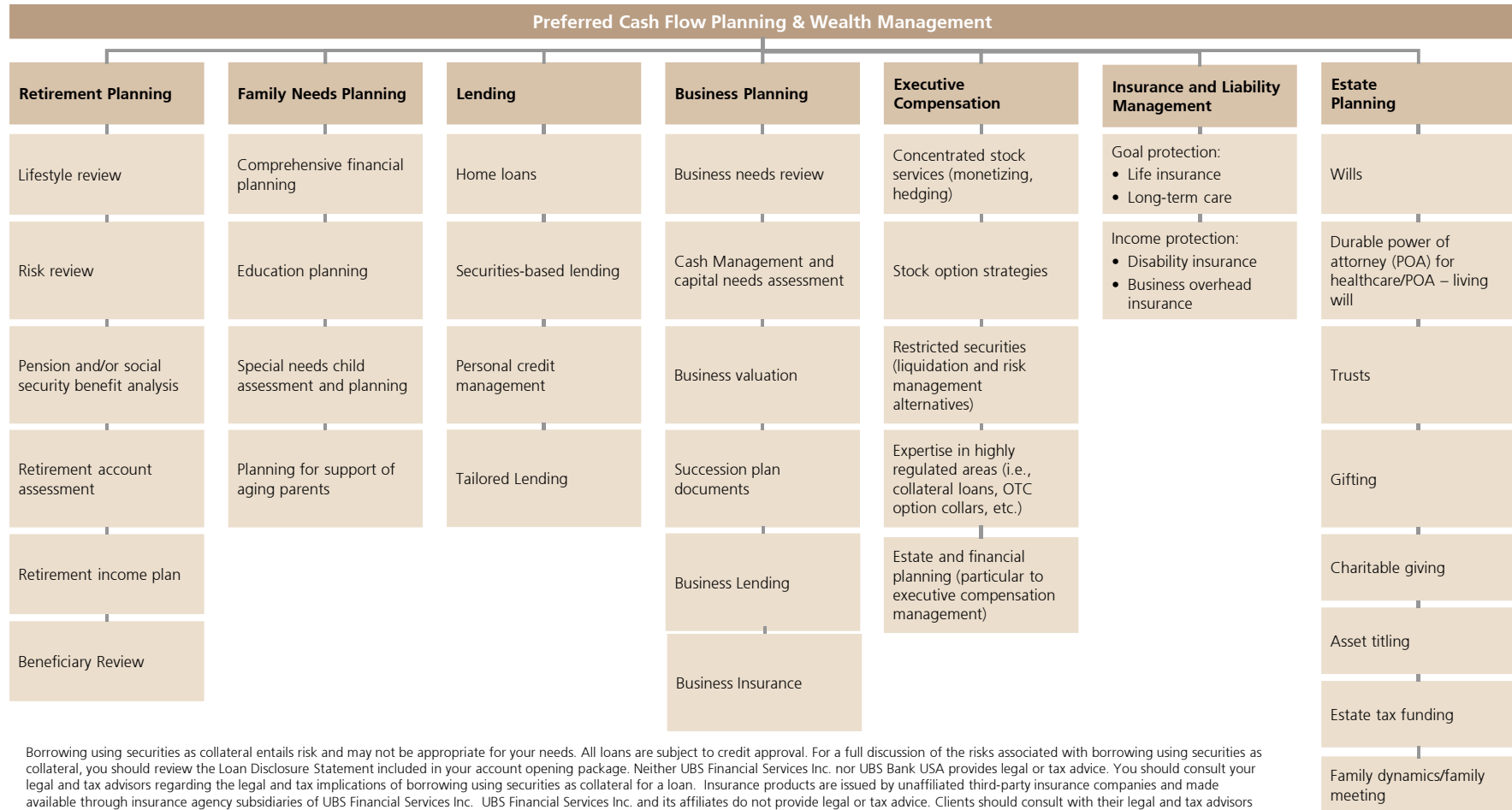
## Long-term credit ratings (as of 11.3.16)

	S&P's long-term rating/outlook
UBS Group AG UBS AG	A-/S A+/S
Credit Suisse Group AG Credit Suisse AG	BBB+/S A/S
HSBC Holdings PLC HSBC Bank PLC	A/S AA-/S
Bank of America Corp. Bank of America N.A.	BBB+/S A/U
Citigroup Inc. Citigroup N.A.	BBB+/S A/U
The Goldman Sachs Group Inc. Goldman Sachs Bank USA	BBB+/S A/U
JPMorgan Chase & Co. JPMorgan Chase Bank NA	A-/S A+/S
Morgan Stanley Morgan Stanley N.A.	BBB+/S A/U
Wells Fargo & Company Ins. Wells Fargo Bank, N.A.	A+/N AA-/S

Legend: Group holding company/Parent bank or operating company  
Source: Bloomberg, 11.3.16

# Comprehensive wealth management services

We have in-depth experience in financial planning and investment management, but we also bring in professionals with the expertise necessary for a successful wealth management plan. We will also work with any professionals with whom you already have a relationship.





## Important Disclosures

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# Important client information

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## **Important information about Advisory & Brokerage Services**

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

All references to mutual funds found in this presentation refer only to funds registered in the U.S. These mutual funds are sold by prospectus only. Offshore mutual funds are only available to non-U.S. residents. Please speak with your Financial Advisor about these funds. Investors are advised to read the relevant offering documents before investing. With respect to any discussion in this presentation that may relate to fee-based advisory products (such as ACCESS or PACE), please note that such advisory products may not be available in all jurisdictions.

It is important that you carefully read the agreements and disclosures that we provide to you about the products or services we offer. While we strive to ensure the nature of our services is clear in the materials we publish, if at any time you seek clarification on the nature of your accounts or the services you receive, please speak with your Financial Advisor.

UBS Financial Services Inc., its affiliates, and its employees do not provide tax or legal advice. Clients should contact their personal tax and/or legal advisors regarding their particular situations.

## **Borrowing considerations**

Borrowing using securities as collateral entails risk and may not be appropriate for your needs. All loans are subject to credit approval. For a full discussion of the risks associated with borrowing using securities as collateral, you should review the Loan Disclosure Statement that will be included in your application package. Neither UBS Financial Services Inc. nor UBS Bank USA provides legal or tax advice. You should consult your legal and tax advisors regarding the legal and tax implications of borrowing using securities as collateral for a loan.

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## Preferred Cash Flow Planning

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UBS Financial Services Inc. and your Financial Advisor are pleased to present your financial plan, which is designed to assist you with personal financial planning. Please review the analysis carefully, including the various assumptions identified throughout the analysis. This analysis is based on information that you have provided and the accuracy of the analysis is dependent upon your providing accurate and complete data. Any changes to your personal situation or any of the other assumptions that underlie this analysis could materially impact the results presented.

In addition, changes in personal circumstances, economic conditions, tax laws, government programs, and other unforeseeable events can have an impact on your financial strategy. As such, it is important that you periodically review your overall financial strategy, the progress you have made toward meeting your goals, and assess any possible short falls or gaps in light of market conditions and your personal circumstances.

Please contact your Financial Advisor if you have any questions. We look forward to continuing to work with you.

### **Important Information About Our Financial Planning Services: Financial Planning as a Brokerage or Investment Advisory Service**

As a firm providing wealth management services to clients in the U.S., we offer both investment advisory and brokerage services. In providing a financial plan to you, we may act as a broker-dealer or investment adviser. The capacity in which we provide this service will depend on whether we charge a fee for the service. Financial plans provided to you free of charge are a service incidental to our brokerage relationship with you. By contrast, we provide financial planning services in our role as investment adviser for a separate fee and through a financial planning services agreement with you.

Our Brokerage Financial Planning Services terminate when we deliver the plan to you and do not include ongoing planning advice or reporting. The terms, conditions, fee and scope of our Advisory Financial Planning Services are described in our written agreement with you and our Financial Planning Services Form ADV Disclosure Brochure.

Advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate contracts. A detailed explanation regarding the distinctions between investment advisory programs and brokerage service is contained in the section of this report titled, *Conducting Business with UBS: Investment Advisory and Broker-Dealer Services*. While we strive to make sure the nature of our services is clear in the materials we publish, if at any time you would like clarification on the nature of your accounts or the services you are receiving, please speak with your Financial Advisor or visit our web site for additional information at [www.ubs.com/workingwithus](http://www.ubs.com/workingwithus).

Regardless of the capacity in which we act or the fee charged, providing a financial plan to you:

- ♦ does not affect any other relationship you may have with UBS. The nature of your existing or future UBS accounts, your rights and obligations relating to these accounts, and the terms and conditions of any UBS account agreement in effect do not change in any way.
- ♦ does not include initial or on-going advice regarding specific securities or other investments.



### **Implementing your Financial Plan**

You are not under any obligation to implement any of the suggestions made in the financial plan with UBS Financial Services Inc. or any of our affiliates. You are not required to establish accounts, purchase products that UBS distributes, or otherwise transact business with UBS Financial Services Inc. or any of our affiliates on order to put into action any aspect of your financial plan.

If you decide that you would like UBS to be involved with any aspect of implementing your financial plan, including helping you develop an investment strategy, we would be delighted to help you through our brokerage and advisory capabilities. The capacity in which we act when helping you implement an investment strategy or any aspect of your plan will depend on, and vary by, the nature of your accounts (i.e., brokerage or advisory accounts) used for such implementation.

### **Conducting Business with UBS: Investment Advisory and Broker Dealer Services**

As a wealth management firm providing services to clients in the United States, we are registered with the U.S. Securities and Exchange Commission (SEC) as a broker-dealer and an investment adviser, offering both investment advisory and brokerage services.<sup>1</sup>

Our clients work with their Financial Advisors to determine the services that are most appropriate given their goals and circumstances. Based on the services you request, we can fulfill your wealth management needs in our capacity as an investment adviser, as a broker-dealer, or as both. For example, we offer fee-based financial planning as an advisory service. Once we deliver a financial plan to you, you can decide whether to implement the financial plan via brokerage accounts, advisory programs or a combination, depending on your needs and preferences. Most of our Financial Advisors are qualified and licensed to provide both brokerage as well as advisory services depending on the services a client has requested.

In addition, some of our Financial Advisors hold educational credentials, such as the Certified Financial Planner™ (CFP®) designation<sup>2</sup>. Holding a professional designation typically indicates that the Financial Advisor has completed certain courses or continuing education. However, use of such designations does not change UBS' or the Financial Advisor's obligation with respect to the advisory or brokerage products and services that may be offered to you.

<sup>1</sup>Examples of our advisory programs and services include our fee-based financial planning services and our ACCESS, Portfolio Management Program, Managed Accounts Consulting, UBS Institutional Consulting, UBS Strategic Advisor, UBS Strategic Wealth Portfolio, UBS Managed Portfolio Program, and PACE programs. Examples of our brokerage accounts include our Resource Management Account® and the International Resource Management Account.

<sup>2</sup>Certified Financial Planner Board of Standards Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™ and federally registered CFP (with flame design) in the U.S., which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements.



*It is important to understand that investment advisory and brokerage services are separate and distinct and each is governed by different laws and separate contracts with you. While there are 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.*

**Our services as an investment adviser and our relationship with you**

We offer a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including fee-based financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers, mutual funds, exchange traded funds and other securities offered through our investment advisory programs.

Generally, when we act as your investment adviser, we will enter into a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for our advisory program(s) which provides detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

*How We Charge for Investment Advisory Services*

We may charge for our investment advisory services in any of the following ways:

- ◆ A percentage of the amount of assets held in your advisory account
- ◆ A flat annual fee
- ◆ A combination of asset based fee and commissions
- ◆ Periodic fees
- ◆ Financial planning services are available for a fee

Generally, your Financial Advisor will receive a portion of the fees you pay us.



### *Our Fiduciary Responsibilities as an Investment Adviser*

When you participate in one of our investment advisory programs, we are considered to have a fiduciary relationship with you<sup>3</sup>. The fiduciary standards are established under the Investment Advisers Act of 1940 and state laws, where applicable, and include:

- ◆ Obligations to disclose to you all material conflicts between our interests and your interests.
- ◆ If we or our affiliates receive additional compensation from you or a third-party as a result of our relationship with you, we must disclose that to you.
- ◆ We must obtain your informed consent before engaging in transactions with you for our own account or that of an affiliate or another client when we act in an advisory capacity.
- ◆ We must treat you and our other advisory clients fairly and equitably and cannot unfairly advantage one client to the disadvantage of another.
- ◆ The investment decisions or recommendations we make for you must be suitable and appropriate for you and consistent with your investment objectives and goals and any restrictions you have placed on us.
- ◆ We must act in what we reasonably believe to be your best interests and in the event of a conflict of interest, we must place your interests before our own.

Termination of your advisory account or agreement will end our investment advisory fiduciary relationship with you as it pertains to that account or service. Depending on the terms of your specific investment advisory agreement with us, termination will cause your account to be converted to, and designated as, a brokerage account only.

### **Our Services as a Broker-Dealer and Our Relationship With You**

As a full-service broker-dealer, our services are not limited to taking customer orders and executing securities transactions. As a broker-dealer, we provide a variety of services relating to investments in securities, including providing investment research, executing trades and providing custody services. We also make recommendations to our brokerage clients about whether to buy, sell or hold securities. We consider these recommendations to be part of our brokerage account services and do not charge a separate fee for this advice. Our recommendations must be suitable for each client, in light of the client's particular financial circumstances, goals and tolerance for risk.

Our Financial Advisors can assist clients in identifying overall investment needs and goals and creating investment strategies that are designed to pursue those investment goals. The advice and services we provide to our clients with respect to their brokerage accounts is an integral part of our services offered as a broker-dealer.

In our capacity as broker-dealer, we do not make investment decisions for clients or manage their accounts on a discretionary basis. Instead, we will only buy or sell securities for brokerage clients based on specific directions from you.

<sup>3</sup>Fiduciary status under the Investment Advisers Act is different from fiduciary status under ERISA or the Internal Revenue Code. While in our investment advisory programs we act as a fiduciary under the Investment Advisers Act, we do not act as a fiduciary under ERISA or the Internal Revenue Code unless we expressly agree to do so in writing.



### *How We Charge for Brokerage Services*

If you choose to establish a brokerage account with us, you may elect to:

- ◆ Pay us for our brokerage services each time we execute a transaction for your account in a Resource Management Account (RMA). If you choose to pay on a transaction-by-transaction basis, we can act as either your agent or “broker,” or as a “dealer.”
- ◆ When acting as your agent or broker, we will charge a commission to you each time we buy or sell a security for you.
- ◆ When acting as a “dealer,” we act as a principal for our own account on the other side of a transaction from you. Using our own inventory, we will buy a security from or sell a security to you, and seek to make a profit on the trade by charging you a “mark up,” “mark-down” or “spread” on the price of the security in addition to the commissions you pay on these transactions.

We pay our Financial Advisors a portion of commissions, profits on principal trades, and other charges.

### *Our Responsibilities to You as a Broker-Dealer*

As a broker-dealer we are subject to the following:

- ◆ The Securities Exchange Act of 1934
- ◆ The Securities Act of 1933
- ◆ The rules of the Financial Industry Regulatory Authority (FINRA)
- ◆ The rules of the New York Stock Exchange
- ◆ State laws, where applicable

These laws and regulatory agencies have established certain standards for broker-dealers which include:

- ◆ As your broker-dealer, we have a duty to deal fairly with you. Consistent with our duty of fairness, we must ensure that the prices you receive when we execute transactions for you are reasonable and fair in light of prevailing market conditions and that the commissions and other fees we charge you are not excessive.
- ◆ We must have a reasonable basis for believing that any securities recommendations we make to you are suitable and appropriate for you, given your individual financial circumstances, needs and goals.
- ◆ We are permitted to trade with you for our own account or for an affiliate or another client and may earn a profit on those trades. When we engage in these trades, we disclose the capacity in which we acted on your confirmation, though we are not required to communicate this or obtain your consent in advance, or to inform you of the profit earned on the trades.
- ◆ *It is important to note that when we act as your broker-dealer, we do not enter into a fiduciary relationship with you. Absent special circumstances, we are not held to the same legal standards that apply when we have a fiduciary relationship with you, as we do when providing investment advisory services.* Our legal obligations to disclose detailed information to you about the nature and scope of our business, personnel, fees, conflicts between our interests and your interests and other matters are more limited than when we have a fiduciary relationship with you.

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## Disclosures applicable to accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. This report presents information since December 31, 2002. This report does not include complete account activity or performance of your accounts before this date. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS FS accounts statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports.

UBS FS offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including fee-based financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provides detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

Please review the report content carefully and contact your Financial Advisor with any questions.

The account listing may or may not include all of your accounts with UBS FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page or listed at the top of each page.

**Portfolio:** For purposes of this report "portfolio" is defined as all of the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS FS or elsewhere.

**Estimated Annual Income:** The Estimated Annual Income is the annualized year to date per share dividends paid and multiplied by the quantity of shares held in the selected account(s).

**Tax Status:** "Taxable" includes all securities held in a taxable account that are subject to federal and/or state or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

**Cash Flow:** This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated -- but prior to the report run ("As of") date -- are not reflected in this report. In determining the potential cash flows, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS FS generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy.

### Expected Cash Flow reporting for Puerto Rico

**Income Tax Purposes:** Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

**Account changes:** At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:

1) Have there been any changes to your financial

situation or investment objectives?

2) Would you like to implement or modify any restrictions regarding the management of your account? If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change any investment restrictions on your account.

**ADV disclosure:** A complimentary copy of our current Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

**Important information for former Piper Jaffray and McDonald Investments clients:** As an accommodation to former Piper Jaffray and McDonald Investments clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006 and McDonald Investments accounts prior to February 9, 2007, the date the respective accounts were converted to UBS FS. UBS FS has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

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## Disclosures applicable to accounts at UBS Financial Services Inc.

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Please review the report content carefully and contact your Financial Advisor with any questions.

The account listing may or may not include all of your accounts with UBS FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page or listed at the top of each page.

**Portfolio:** For purposes of this report "portfolio" is defined as all of the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS FS or elsewhere.

**Percentage:** Portfolio (in the "% Portfolio" column) includes all holdings held in the account(s) selected when this report was generated. Broad asset class (in the "% broad asset class" column) includes all holdings held in that broad asset class in the account(s) selected when this report was generated.

**Tax lots:** This report displays security tax lots as either one line item (i.e., lumped tax lots) or as separate tax lot level information. If you choose to display security tax lots as one line item, the total cost equals the total value of all tax lots. The unit cost is an average of the total

cost divided by the total number of shares. If the shares were purchased in different lots, the unit price listed does not represent the actual cost paid for each lot. The unrealized gain/loss value is calculated by combining the total value of all tax lots plus or minus the total market value of the security.

If you choose to display tax lot level information as separate line items on the Portfolio Holdings report, the tax lot information may include information from sources other than UBS FS. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. As a result this information may not be accurate and is provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. See your monthly statement for additional information.

**Pricing:** All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS accounts statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

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**Margin:** The quantity value may indicate that all or part of this position is held on margin or held in the short account. When an account holds a debit balance, this debit balance is incorporated into the account's total market value and deducted from the total value. When calculating the percent of portfolio on each security, the percentage will be impacted by the total market value of the account. Therefore, if the account's market value is reduced by a debit value of a holding the percent of portfolio will be greater and if the account's market value is increased by a holding then the percent of portfolio will be less.

**Mutual Fund Asset Allocation:** If the option to unbundle balanced mutual funds is selected and if a fund's holdings data is available, mutual funds will be classified by the asset class, subclass, and style breakdown of their underlying holdings. Where a mutual fund or ETF contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the fund to those sectors measured as a percentage of the total fund's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a monthly basis to UBS FS based on data supplied by the fund which may not be current. Mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, any analysis that includes mutual funds may not accurately reflect the current composition of these funds. If a fund's underlying holding data is not available, it will be classified based on its corresponding overall Morningstar classification. All data is as of the date indicated in the report.

**Equity Style:** The Growth, Value and Core labels are determined by Standard and Poor's using a price-to-book ratio methodology. The Growth, Value and Core labels are based on how a company's price-to-book ratio compares to the median price-to-book ratio for its industry based on the company's assigned industry Sector. If the company's ratio is greater than or equal to the industry median, it is classified as a growth stock. If the company's ratio is less than the industry median, it is classified as a value stock. If a security includes both growth and value attributes, it is classified as a core stock. If price-to-book is not available or the industry's median is not available, this item will be Unclassified.

**Equity Capitalization:** Market Capitalization is defined as the number of shares outstanding times the market value. Equity securities are classified as Large Cap if they have a capitalization of 8 billion or above. Securities with capitalization between 1.8 and 7.9 billion are classified as Mid Cap. Securities with capitalization below 1.79 billion are classified as Small Cap. Unclassified securities are those for which no capitalization is available or applicable.

**Equity Sectors:** The Equity sector analysis may include a variety of accounts, each with different investment and risk parameters. As a result, the overweighting or underweighting in a particular sector or asset class should not be viewed as an isolated factor in making investment/liquidation decisions; but should be assessed on an account by account basis to determine the overall impact on the account's portfolio.

**Classified Equity:** Classified equities are defined as those equities for which the firm can confirm the specific industry and sector of the underlying equity instrument.

**Estimated Annual Income:** The Estimated Annual

Income is the annualized year to date per share dividends paid and multiplied by the quantity of shares held in the selected account(s).

**Current Yield:** Current yield is defined as the estimated annual income divided by the total market value.

**Credit/Event Risk:** Investments are subject to event risk and changes in credit quality of the issuer. Issuers can experience economic situations that may have adverse effects on the market value of their securities.

**Interest Rate Risk:** Bonds are subject to market value fluctuations as interest rates rise and fall. If sold prior to maturity, the price received for an issue may be less than the original purchase price.

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**Account changes:** At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:

- 1) Have there been any changes to your financial situation or investment objectives?
  - 2) Would you like to implement or modify any restrictions regarding the management of your account?
- If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change any investment restrictions on your account.

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