

# Information Sheet on distribution fees and non-monetary benefits

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## Information

### Banks have to provide clients with transparency regarding fees, commissions and nonmonetary benefits paid and received in connection with certain services provided to clients.

Under certain circumstances, UBS may receive certain fees and/or nonmonetary benefits from third parties for services UBS provides. For example, in order to remunerate UBS for its role as product distributor, UBS will receive certain fees and/or non-monetary benefits from brokers, providers of investment funds, structured products or OTC products.

Where the product is an investment fund, such fees (which are already included in the disclosed Total Expense Ratio (TER) of the fund) will typically represent a portion of the annual management fee of the fund. In respect of structured products or OTC products, the fee will generally be generated through a discount accorded to UBS on the product's issue price or on a portion of the latter (charged upfront or on a recurring basis) or will be generated via a portion of the annual management fee. Non-monetary benefits will typically take the form of research, training, education and sales support offered by product providers to representatives of UBS.

Correlatively, under certain circumstances, UBS may pay certain fees and/or nonmonetary benefits to third parties for services the third parties provide. For example, UBS may remunerate certain persons, such as introducers, for their referral activities.

For further details, please contact your client advisor.

### Products

In order to allow clients to benefit from a diverse range of investment opportunities, UBS offers a range of products including investment funds and structured products of UBS, as well as such external or third-party products.

Investment products are similar to other goods and services: the pricing of such products also reflects a manufacturing (or structuring) component and a distribution component. The level of pricing will vary from product to product both in terms of total amount charged and the method in which such fees are levied.

### Distribution fees

UBS may earn fees in its role of distributor of its own products, as well as for the distribution of external or third-party products. These fees compensate UBS for the functions it performs as distributor and the costs incurred in this role.

The client benefits from these UBS services, which include easy access to products, appropriate and necessary product documentation, the product knowhow of the UBS client advisor including both a pre- and after-sales service and support, maintenance of product static data, operational efficiencies, access to NAV pricing at redemption, and rigorous product research and manufacturer due diligence.

When the client purchases an investment product, the product charges an annual investment management fee or set-up costs in respect of such products. Distribution fees are paid out of such investment management fees or set-up costs in respect of such products.

### UBS products

Where the investment product is manufactured within the UBS Group, UBS Group will take the roles of both manufacturer and distributor. Certain ancillary roles, such as those of the custodian and administrator, may also be performed by UBS Group. This means that in effect up to 100% of fees charged by the product will remain within UBS Group and that any distribution fees earned by the distribution arm of UBS Group represent an internal reallocation of revenues within the UBS Group.

### Portfolio management agreement

Where the client has entered into a portfolio management agreement with UBS, the latter performs certain additional services to those detailed above which arise due to the nature of the role of UBS under such agreements, including the following: access to subscription and redemption at NAV; close collaboration with investment fund provider and portfolio manager in connection with portfolio construction decisions which allows improved monitoring and control of performance and risk; trade efficiency and optimal execution price due to preannouncement of large transactions; and possible access to institutional strategies.

### Introducer fees

UBS may remunerate an approved introducer for making business referrals. These payments are designed to remunerate the introducer for having established a relationship between UBS and a client. The client benefits from UBS services such as wealth management services which offer a broad range of investment solutions and a large choice of products (investments funds, structured products, etc.) which the introducer may not be able to provide, as well as from the know-how of UBS client advisors. Such fees are usually linked to net new assets deposited with UBS and may range between 1.0 % and 1.5 % of the net new assets deposited.

### How are distribution fees determined?

Distribution fees are determined on the basis of the investment fund's management fees. In respect of third party products, to give the client a better idea of the range of investment management fees, UBS has set out typical ranges below. Distribution fees received in connection with third party investment funds generally represent 50% of such investment management fees.

Asset Class	Range of Management Fees (in %)
Money Markets Funds	0 - 1.0% p.a.
Fixed Income Funds	0 - 2.0% p.a.
Equities Funds	0 - 2.5% p.a.
Non-Traditional Funds	0 - 3.0% p.a.

In respect of investment funds of the UBS Group, up to 100% of the total expense ratio (investment management fee and additional costs) remain with the UBS Group. In respect of structured products, fees generally are generated through a discount accorded to UBS on the issue price of such products or may be generated via a portion of the annual management fee. Such fees are typically within the range as set out below:

Asset Class	Range of Fees (in %)
Structured Products	0 - 2.0% paid upfront and/or on a recurring basis over the lifespan of the product.

