

# TPF Loyalty Program

## Program overview<sup>1</sup>

- ✓ Fee discount
  - 15% - 3-year commitment
  - 25% - 4-year commitment
- ✓ No financial risk as fee savings are simply returned for the pro-rata dollars withdrawn before the end of the commitment period
- ✓ Investors decide what portion of their investment will be committed
- ✓ No impact on requested redemption payments as these payments are based on total account value
- ✓ Discount applies through commitment period, then expires

## Program fee savings

- ✓ Created three scenarios for paying down the USD 7 billion redemption pool
- ✓ Estimated optimal commitment to 3- and 4-year loyalty programs for each scenario
- ✓ Determined optimal commitment range between 35% - 50% of account balance
- ✓ Estimated fee savings of 5% - 10% of total base fees over the commitment period

<sup>1</sup>If an investor elects to commit assets under the Loyalty program and needs to redeem assets before the end of the commitment period, the investor would be required to pay back the discount applicable to the assets being redeemed. The offer may be terminated or modified at any time. For more details, please refer to the PPM Supplement.

# TPF Loyalty Program

3- and 4-year optimal allocations to the program

USD 11.2m

Investor account balance

USD 7.0bn

TPF redemption pool

93.5 bps

Average fee rate

Scenarios	Redemption payments yr 1 (USD billions)	Redemption payments yr 2 (USD billions)	Redemption payments yr 3 (USD billions)	Redemption payments yr 4 (USD billions)	Redemption pool after yr 4 (USD billions)
Scenario 1	0.6	1.7	2.2	2.5	0.0
Scenario 2	0.6	1.5	1.7	1.7	1.5
Scenario 3	0.6	1.2	1.6	1.6	2.0

Estimated redemption payments (regardless of participation in program)	Scenario 1	Scenario 2	Scenario 3
Paid years 1 to 3	7,200,000	6,080,000	5,440,000
Paid year 4	4,000,000	2,720,000	2,560,000
Paid thereafter	--	2,400,000	3,200,000
<b>Total payment</b>	<b>11,200,000</b>	<b>11,200,000</b>	<b>11,200,000</b>

Optimal allocation to Loyalty Program	Scenario 1		Scenario 2		Scenario 3	
	Optimal amount	4-year savings	Optimal amount	4-year savings	Optimal amount	4-year savings
3-year loyalty commitment	4,000,000	12,703	2,720,000	8,938	2,560,000	8,668
4-year loyalty commitment	--	--	2,400,000	15,027	3,200,000	21,051
<b>Total commitment</b>	<b>4,000,000</b>	<b>12,703</b>	<b>5,120,000</b>	<b>23,965</b>	<b>5,760,000</b>	<b>29,719</b>

Data as of January 31, 2023. Source for all data/charts is UBS Asset Management, Real Estate & Private Markets (REPM). If an investor elects to commit assets under the Loyalty incentive but needs to redeem assets before the end of the commitment period, the investor would be required to pay back the discount applicable to the assets being redeemed. The offer may be terminated or modified at any time. The discounts are applied only to the original amount committed, not to any earnings or dividend reinvestments. For more details, please refer to the PPM Supplement. TPF has a variable fee which has been waived through Q12024. The presentation does not reflect any variable fees that may be assessed in the future. The TPF base fee does not include any TPF fee program incentives that may be in place. For illustration purposes only. Assumes no appreciation or depreciation in the values.