

Financing strategies

The flexibility to pursue
your life goals





Financial flexibility. When you need it.

A well-thought-out financing strategy can add flexibility to your wealth management plans.

Whether you want to buy a home, pay taxes or tuition bills, add working capital to a business or position yourself to take advantage of new opportunities, you will want your borrowing decisions to work in concert with your other financial plans.

Often, the first step is to review the assets in your UBS portfolio. Your eligible securities can be used as collateral for a wide-range of personal and business financing. Moreover, because you may get higher loan-to-asset values at UBS than at other financial institutions, you may discover that you have all the financial resources you need to move forward with your plans.

Similarly, if you are contemplating a residential real estate purchase, your UBS Financial Advisor can help you decide which mortgage products best fit your specific needs and goals in the context of your overall wealth management plan.

A conversation with your UBS Financial Advisor is all it takes to get started. Together, you can develop a financing strategy that's as tailored to your personal circumstances and risk tolerance as your investments.



Securities backed lending can be an effective alternative to other types of financing—or to liquidating investments.



The financing power of your portfolio

When you use the eligible assets in your UBS portfolio as collateral, you gain immediate access to the funds you need while keeping your underlying investment strategy on track. Plus, you continue to receive the benefits of any dividends, interest or capital appreciation that may accrue in your investment account.

With added financial flexibility, you can cover a range of personal expenditures. Similarly, you can use personal assets as collateral for a third-party guarantee. Or, if you like, to fund a wide range of business expenses, such as inventory costs, equipment purchases and construction plans.

Your Financial Advisor can help you weigh your options and tailor a financing strategy that's right for you.

Credit Line

The best time to apply for a UBS Credit Line is before you need one. Then, if you want to move quickly—to add working capital to a business, or pay taxes, for example—funding is available (via fed funds wire or Credit Line check).¹ Moreover, there are no fees or charges until Credit Line funds are accessed.² Credit Line rates are competitive with either fixed or variable interest rates. Note: Credit Line funds may not be used to purchase, carry or trade securities.

Margin lending

The UBS margin lending program—which is based on the value of eligible securities in your UBS investment portfolio—can help you meet a variety of personal and investment financing needs, including the purchase of other securities.

Used appropriately, margin loans can help you make more of your financial potential. As with Credit Lines, margin loans can help you maintain an investment position and avoid the risk of triggering potential capital gains taxes.³ A margin loan

also can provide overdraft protection for checkwriting or debit card use tied to your Resource Management Account® (RMA®).

Margin and Credit Lines are demand loans and are subject to collateral maintenance requirements. Market conditions can magnify the potential for losses. Please note that borrowing using securities as collateral entails risk and may not be appropriate for your needs.

Standby Letter of Credit

A Letter of Credit is a third-party guarantee of funds, using the value of eligible securities in your portfolio as collateral. You may wish to use a Letter of Credit in place of a cash security deposit, as a performance bond for a construction project or to guarantee an invoice payment. Letters of Credit have no minimum loan requirements and fees are competitive.



Making a smart home financing choice is integral to your overall wealth management plans.



A mortgage tailored to your financial needs and goals

Your Financial Advisor can help you choose the home financing strategy that will work in concert with your overall wealth management plan.

Do you plan to live in your home for five or more years? Do you want to refinance your current mortgage to take advantage of lower interest rates? Would you like to remodel your home? Are you subject to the Alternative Minimum Tax or do you have other tax considerations? Your very personal answers to these and other questions will shape your choice of a residential mortgage.

And because tax considerations³ are an important part of any real estate purchase, your UBS Financial Advisor can work with you and your tax advisor(s) so that you choose the mortgage strategy that optimizes the tax aspects of your purchase—and your wealth management plans.

Whether you choose a fixed or adjustable rate mortgage, you should consider the term, payment structure and other important features.

Conforming mortgages

For most borrowers, conforming loans—mortgages for up to \$417,000—offer the most attractive rates.

Conforming Plus

In some U.S. markets, conforming loan limits have been raised to a maximum of \$729,750 in certain counties to reflect higher median home values. Rates are slightly higher than for conforming mortgages.

Jumbo mortgages

Residential mortgage loans are available for amounts that exceed Conforming or Conforming Plus loan limits. Rates are generally higher than for traditional mortgages.

Combination loans

Pairing a traditional home loan with a UBS Credit Line may be the right choice if you are seeking home financing in excess of the jumbo loan limits available in your state. A conversation with a UBS Financial Advisor can help advance your plans.



A conversation with your UBS Financial Advisor can help you make a financing decision that fits both your immediate plans and your long-term wealth management goals.

¹ The minimum amount for fed funds wires is \$2,500.

² Credit Lines are provided by UBS Bank USA, an affiliate of UBS Financial Services Inc., and are subject to credit approval.

³ Neither UBS Financial Services Inc. nor UBS Bank USA provides legal or tax advice. You should consult your legal and tax advisors regarding your specific circumstances.

Wealth Management Services in the United States are provided by UBS Financial Services Inc., a registered broker-dealer offering securities, trading, brokage and related products and services.

Credit Lines are provided by UBS Bank USA, an affiliate of UBS Financial Services Inc. Credit Lines are demand loans and are subject to credit approval and collateral maintenance requirements. UBS Bank USA can demand repayment at any time without notice. If the required collateral value is not maintained, the lender can require you to post additional collateral, repay part or all of your loan and/or sell your securities. Failure to promptly meet a request for additional collateral or repayment or other circumstances (e.g., a rapidly declining market) could cause the lender to liquidate some or all of the collateral supporting the Letters of Credit and Credit Lines. Any required liquidations may interrupt your long-term investment strategies and may result in adverse tax consequences.

Credit Lines may not be used to purchase, trade or carry securities or to repay debt (a) used to purchase, trade or carry securities or (b) to any affiliate of UBS Bank USA. Additional limitations and availability may vary by state. Prepayments of Premier Fixed Credit Line loans will be subject to an administrative fee and may result in a prepayment fee.

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. 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.

The RMA is a brokerage account. Resource Management Account and RMA are registered service marks of UBS Financial Services Inc.

©2009 UBS Financial Services Inc. All rights reserved. Member SIPC.



UBS Financial Services Inc.
www.ubs.com/financialservicesinc
081205-2652-M132

UBS Financial Services Inc. is a subsidiary of UBS AG.