

The power of strategic financing: Be ready for the unexpected

Assets and liabilities work harder when they work together.

Borrowing against eligible assets in your UBS portfolio can give you a back-up source of liquidity so you have the financial flexibility you need to respond to an unexpected opportunity or meet a sudden financial need. At the same time, you avoid disturbing your underlying investment strategy.

Even better, a UBS Bank USA Credit Line¹ costs nothing to set up.

There are no fees, points or closing costs. You pay interest only on the funds you borrow.² And it's simple to apply: A brief chat with your Financial Advisor is all it takes to set things in motion.

With a Credit Line in place, you can write a check or use a Federal Funds wire to:³

Finance a home purchase If you are thinking about purchasing or building a new home, or remodeling an existing one, a securities backed loan can provide immediate access to funds, thereby serving as a bridge or construction loan.

Explore business opportunities A securities backed loan may be appropriate if you need short-term working capital to cover seasonal inventory costs, fund capital expenditures or business development or expansion opportunities.

Refinance high-interest debt You may want to take advantage of competitive interest rates to consolidate your high-interest debt, keeping in mind that, with a variable-rate loan, the interest you owe may increase or decrease over time.

Defer potential tax burdens To meet a short-term liquidity need, borrowing against eligible securities rather than selling them may allow you to defer potential capital gains taxes while keeping your long-term investment strategy intact.⁴



Purchase a luxury item If you're planning a major purchase, you may wish to maintain your portfolio's current exposure to the market while obtaining the funds necessary to purchase something you desire, such as a classic car, yacht or art work.

Fund higher education With college tuition and related expenses increasing every year, you may want to use a securities backed loan to help manage your cash flow and continue to meet steadily increasing higher education costs.

A UBS Credit Line is smart and simple

- The application process is quick and easy
- Most clients receive a decision within a few days⁵
- Easy access to funds via Credit Line checks and/or Fed Funds wires
- No origination or annual fees⁶
- No closing costs⁶
- Competitive interest rates

Financing Solutions Snapshot

	Premier Variable Credit Line	Premier Fixed Credit Line
Minimum Approval	\$250,000	\$250,000
Reference Rate	Daily 30-Day LIBOR	LIBOR (up to and including one year) UBS Bank USA Fixed Funding Rate (greater than one year)
Interest Rates		
Approval Amount	Current Rate*	1 Year Rate* 2 Year Rate* 3 Year Rate* 4 Year Rate* 5 Year Rate*
\$250,000 – \$499,999	6.75%	6.79% 6.36% 6.70% 6.91% 7.10%
\$500,000 – \$999,999	5.75%	5.79% 5.36% 5.70% 5.91% 6.10%
\$1,000,000 – \$4,999,999	5.50%	5.54% 5.11% 5.45% 5.66% 5.85%
\$5,000,000 and above	5.25%	5.29% 4.86% 5.20% 5.41% 5.60%
Fees/Points	None	Prepayments subject to administrative and possible prepayment fees
Term	Demand loan subject to collateral maintenance requirements	Demand loan subject to collateral maintenance requirements
Minimum Draws	\$25,001 minimum initial draw; \$2,500 minimum each draw thereafter	\$100,000 minimum each draw
Access to Funds	Credit Line check or Fed Funds Wire	Fed Funds Wire
Interest Payments	Due monthly; may add interest to principal (w/ sufficient collateral)	Due quarterly; may request advance at variable rate for interest due (w/ sufficient collateral)
Pay Downs	Fed Funds Wire	Fed Funds Wire

*Rates are as of 10/01/08. Rates provided are an indication only and are subject to change in the sole discretion of UBS Bank USA.

¹Credit Lines are provided by UBS Bank USA, an affiliate of UBS Financial Services Inc., and are subject to credit approval.

²If you decide to defer an interest payment, the interest will be added to your principal loan balance, provided that your collateral is sufficient to support the increase.

³Please note: The minimum initial advance is \$25,001 and the minimum federal funds wire is \$2,500.

⁴Neither 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.

⁵Please note: In some large and complex transactions, the application process may take more time.

⁶Prepayments of Premier Fixed Credit Line loans will be subject to an administrative fee and may result in a prepayment fee.

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 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.

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.

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