

UBS investment fund account.

The systematic way to build up assets.

The UBS investment fund account makes it easy for you to make more of your money, because it combines the benefits of targeted investments with those of a bank account. You participate in the performance of the financial markets and enjoy higher long-term earnings potential than with an ordinary savings account. At the same time, you can deposit or withdraw money whenever you like – just as you would with a normal account.

For whom are investment funds suitable?

Investment funds are a good alternative for anyone wishing to invest in securities and benefit from professional management. They are suitable for investors aiming to achieve broad risk diversification with small or medium-sized capital sums, as well as large-scale investors who make targeted use of investment funds within their widely diversified portfolios.

The UBS investment fund account also makes an ideal gift for grandchildren and godchildren.

How does the UBS investment fund account work?

Your UBS client advisor helps you analyze your wishes and goals. We sit down together and use the results of this consultation to define your individual investment strategy. Then we decide upon the UBS Funds in which to invest your money in line with your personal risk profile. When

the balance of your UBS investment fund account reaches CHF, EUR, or USD 500 (CHF, EUR, USD 100 for young bank clients¹ and young professionals¹), it will be invested in accordance with your instructions. So that you don't lose out, a preferential interest rate² will be paid on your balance until it reaches this minimum threshold. When you make withdrawals, we sell the corresponding units or fractions of these units on your behalf. So although your savings are fully invested in a UBS investment fund account, you can get hold of cash whenever you need it.

The growth plan

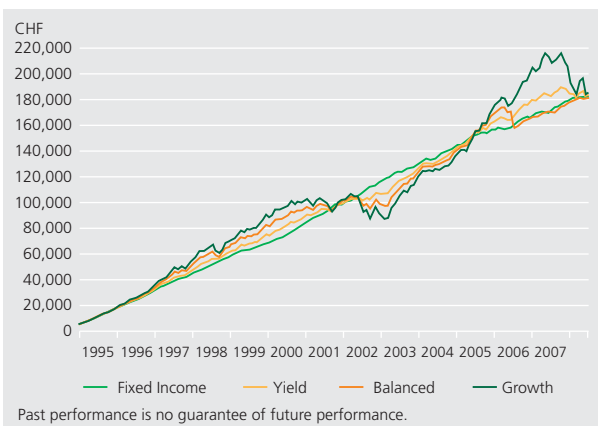
The growth plan enables you to increase your capital systematically, entirely in line with your individual requirements: you can pay in fixed or varying amounts at regular intervals, or make a one-time payment to your account. The money you deposit will automatically be invested in the UBS Funds of your choice.

The redemption plan

Perhaps you would prefer to have existing assets generate a regular fixed income? Again, we invest your assets in the UBS Funds of your choice. You say how much income you require and when, and enjoy the benefit of regular payments without having to worry about selling units. The exact term of the redemption plan depends upon the amount of the investment, the amount and frequency of payments, and the performance of the UBS Funds. The minimum investment for this plan is CHF, EUR or USD 100,000.

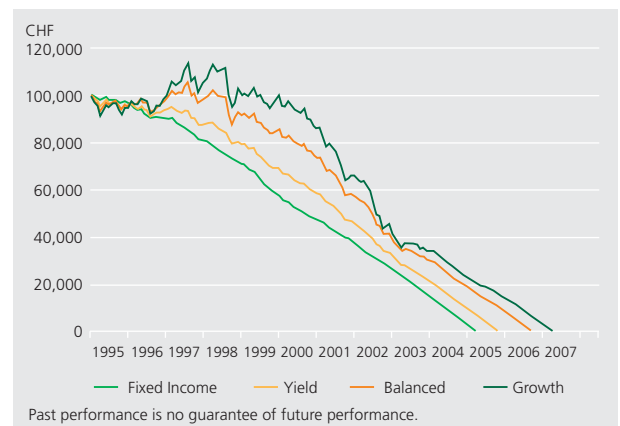
Growth plan

Assumption: initial deposit CHF 5,000, monthly deposit CHF 1,000



Redemption plan

Assumption: deposit CHF 100,000, monthly distribution CHF 1000



¹ Young bank clients: children and young people up to 20 as well as UBS Generation and UBS Campus clients

Young professionals: UBS Young Professional clients

² Except for UBS investment fund account in USD

The cost-average effect

The UBS investment fund account has an additional advantage: Regular deposits increase your chances of better returns thanks to something called the cost-average effect. Because you invest specific amounts, you acquire not only whole fund units but also fractions. Thus you acquire more fund units when prices are low (since individual units are cheaper), and fewer when prices are high (as they are more expensive).

In this way, private investors adopt an anti-cyclical behavior just like professional investors and no longer have to look for the right time to buy in (see Investor A example).

If, on the other hand, the same number of fund units are purchased on a regular basis, more money has to be invested when prices are high and less when prices are low, which leads to a higher average unit price (see Investor B example).

The cost-average effect

Price	Investor A Invested	Units	Investor B Invested	Units
100	1000	10.000	1000	10
95	1000	10.530	950	10
90	1000	11.110	900	10
85	1000	11.760	850	10
105	1000	9.520	1050	10
110	1000	9.090	1100	10
115	1000	8.700	1150	10
Total	7000	70.710	7000	70
Average unit price		98.990		100.00

Investor A acquires 70.710 fund units for 7000, while Investor B only receives 70 units for the same amount. The average unit price is therefore over 1% lower for Investor A.

Which investment strategy suits you?

UBS offers a range of high-quality investment funds to help you put your investment strategy into practice. These products take your personal risk profile into account. They follow clearly defined strategies and deliver an optimum combination of fixed- and variable-rate investments, equities and alternative investments. You decide for yourself which investment philosophy best suits you.

Relative Return

This investment philosophy focuses on market movements and the full potential for gains and losses that these entail:

- You can choose from different asset allocation funds with varying combinations of asset class (e.g. equities, bonds etc.) depending on your risk tolerance.
- More aggressive return expectations (investment strategies) are associated with greater fluctuations in value.

- This philosophy is based on a high level of market dependency, so gains and losses are similar to those on reference markets.
- The distribution of investments across the different asset classes (e.g. equities) changes very little over time.

Choose from the following asset allocation funds that follow this philosophy:

Fixed Income (in CHF, EUR and USD)

The main priority is maintaining the value of your capital; invests in money market instruments and bonds, but avoids equities.

Yield (in CHF, EUR and USD)

Ideal for investors who are looking to generate an income but will only accept small price fluctuations (approx. 25% equities).

Balanced (in CHF, EUR and USD)

Aims to exploit more of the growth opportunities offered by the market, but still relies on the stabilizing effect of fixed-income papers (approx. 50% equities).

Growth (in CHF, EUR and USD)

Makes targeted use of the equity market's long-term growth potential, but limits the risk of fluctuation through broad diversification (approx. 75% equities).

Equity (in CHF, EUR and USD)

Primarily aims for capital gains, and so invests mainly in equities (approx. 95% equities) at a higher risk.

Relative return investment strategies



Absolute Return

This investment philosophy exploits return opportunities whatever the market environment, while minimizing the risk of loss.

- Depending on your risk tolerance, you can set yourself return targets with differing risk levels.
- More aggressive return targets are associated with greater fluctuations in value.
- Compared with UBS Relative Return, you enjoy a lower risk of loss but your potential return is lower too.
- The asset allocation funds seek to achieve a positive absolute return regardless of market performance but have no capital protection.
- The distribution of investment across the different asset classes (e.g. equities) can change significantly over time.

UBS offers two Absolute Return investment funds with differing return targets and currency tranches suitable for a medium- to long-term investment horizon:

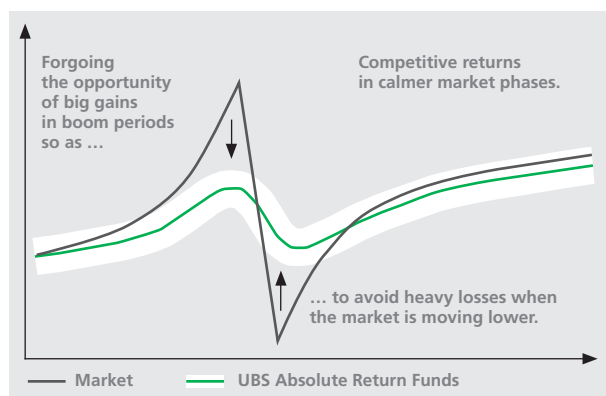
Medium (in CHF, EUR and USD)

Invests in all of the traditional asset classes on a global basis
Return target: 3-month money market +3%³
Required investment horizon: 3–5 years
Required risk tolerance: low to medium

Plus (in CHF, EUR and USD)

Invests in all of the traditional asset classes on a global basis
Return target: 3-month money market +4%³
Required investment horizon: 3–5 years
Required risk tolerance: medium to high

The Absolute Return investment strategy versus the market



³ Gross of fees, costs, and taxes; no guarantee

⁴ Except for UBS investment fund account in USD

Free

If you prefer to assemble your investment portfolio in line with your own personal needs, Free is the right solution. Under the Free investment strategy, it's up to you which of the wide range of over 200 investment funds you choose (max. 10 different UBS Funds). Your UBS advisor would be happy to provide you with information on the UBS Funds available.

The UBS investment fund account – unbeatable benefits.

Combine the benefits of an account ...

- **Simple:** The money you deposit is automatically invested in the UBS Funds of your choice.
- **Pays interest:** Amounts below the minimum investment amount earn interest at a preferential rate⁴.
- **Flexible:** You can make deposits into and withdrawals from your UBS investment fund account whenever you like.
- **Fully invested:** Your money will be invested not only in complete units, but also in fractions of these units (up to three places after the decimal point).
- **Individual:** You decide when and by how much you want your assets to grow.
- **UBS KeyClub:** There are multiple benefits on offer for participating in the UBS KeyClub bonus program.

... with the benefits of UBS Funds.

- **Security:** You benefit from optimum risk diversification and increase your chances of better returns by making regular deposits (cost-average effect).
- **Returns:** Over the long term, UBS Funds offer you higher earnings potential than a savings account. As an investor, you benefit from interest and dividend payments as well as from increases in the funds' value.
- **Varied:** You can choose from a wide range of over 200 UBS Funds.
- **Diversification of investment risk:** Benefit from the broad diversification of UBS Funds.
- **Quality:** All investments are carefully selected and continuously monitored.
- **Overview:** Annual investment fund account reporting and individual statements for each investment help you keep track of your investments at all times.

The UBS investment fund account at a glance.

Account currencies: CHF, EUR, USD

Deposits: Possible at all times (via bank/account transfer, standing order, UBS e-banking, or over the counter in cash). Money is automatically invested in the UBS Funds of your choice as soon as the minimum investment amount has been reached.

Withdrawals: Possible at all times; at least CHF, EUR, USD 500 or CHF, EUR, USD 100 for young bank clients⁵ and young professionals⁵.
Maximum of 80% of the investment fund account assets.

Minimum investment: CHF, EUR, USD 500; or CHF, EUR, USD 100 for young bank clients⁵ and young professionals⁵.

Interest rate: Preferential interest rates on the amount not invested in UBS Funds. Only accounts in CHF and EUR bear interest; investment fund accounts in USD do not (you can find detailed information in a separate overview which you can pick up at your UBS branch or access via the Internet at www.ubs.com/interestrates).

Conditions:

- 0.14% annual administration fee for managing the UBS investment fund account
- Issuing commissions for investing in UBS Funds (prices vary depending on the fund) and the standard commissions and costs of the individual investment funds
- Third-party charges (e.g. VAT, withholding tax, federal stamp duties, etc.) will be charged separately
- Preferential conditions for young bank clients⁵ and young professionals⁵
 - No administration fee
 - 50% discount on issuing commission (other commissions and costs are charged as usual)

⁵ Young bank clients: children and young people up to 20 as well as UBS Generation and UBS Campus clients
Young professionals: UBS Young Professional clients

Investment plan types: Growth plan or redemption plan

Investment strategies:

- Relative Return
 - Fixed Income
 - Yield
 - Balanced
 - Growth
 - Equity
- Absolute Return
 - Medium
 - Plus
- Free
 - Your choice from a range of over 200 UBS Funds

Opportunities and risks: You participate in the performance of the financial markets and enjoy higher long-term earnings potential than with an ordinary savings account. As an investor you must keep in mind that the performance of the investment fund account may periodically be negative.

Statements: Individual confirmation for each investment

Reporting: Annual investment fund account reporting

UBS e-banking: Access detailed information about your UBS investment fund account at any time via UBS e-banking.

Publication: UBS Funds prices are published in the daily press and the Internet (detailed information can also be found online at www.ubs.com/fundgate).

UBS KeyClub bonus program: There are multiple benefits on offer for participating in the UBS KeyClub bonus program. Each quarter you receive bonus points for the amount you spend on your credit card, assets and mortgage. And once a year, we reward your loyalty to UBS with additional loyalty points. For detailed information see www.ubs.com/keyclub

Any questions?

For more information, please visit our website at www.ubs.com/investmentfundaccount or ask your UBS advisor.



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