

UBS Fixed-Rate Mortgage.

Knowing exactly what it's going to cost you.

If you want to know in advance how much interest you'll be paying on your loan, you should definitely opt for the UBS Fixed-Rate Mortgage. There's no need to worry about unpredictable swings in the interest rate cycle, because they simply won't affect you. This mortgage protects you against increases in interest rates.

UBS Fixed-Rate Mortgage at a glance

Interest rate	<i>fixed</i>
Term	<i>limited (1–10 years)</i>
Interest rate risk	<i>only at maturity</i>
Conclusion	<i>with UBS Forward Mortgage can be fixed up to 12 months in advance</i>

Benefit

Lock in low interest rates for years

- The UBS Fixed-Rate Mortgage has a fixed interest rate as well as a fixed term, thus guaranteeing you favorable interest rates for several years to come.
- Long-term financing is the best strategy when interest rates are low. When they are high, it's better to borrow short-term.
- The agreed interest rate does not change during the term of the UBS Fixed-Rate Mortgage, so you are immune to unexpected rises in market rates that might strain your budget. However, you do not profit from interest rate cuts with this type of mortgage.

Plan your expenditure and enjoy peace of mind

A fixed interest rate ensures that your interest costs stay the same for the duration of your mortgage. As you always know exactly what you have to pay, you can plan your expenditure with the utmost certainty and security. Interest is charged on a quarterly basis.

UBS Forward Mortgage – protect yourself in advance against rising interest rates

If at the time your fixed-rate mortgage is dispersed or extended you expect interest rates to be higher than they are now, then you can protect yourself against higher rates with a fixed-rate mortgage. With the UBS Forward Mortgage, you can fix the interest rate for your new fixed-rate mortgage up to 12 months in advance by paying an additional fee. The earlier you take out a UBS Forward Mortgage, the higher this additional fee usually is.

Interest rate risk

When the term of your UBS Fixed-Rate Mortgage expires, the general level of interest rates may be higher than the rate you have been paying. You would then have to reckon with a higher interest charge for the subsequent financing of the total mortgage. For this reason, it is better to finance larger amounts through a customized product combination involving, say, two fixed-rate mortgages with different due dates. Your client advisor will be pleased to assist you in finding the combination best suited to your needs.

Minimize interest rate risk

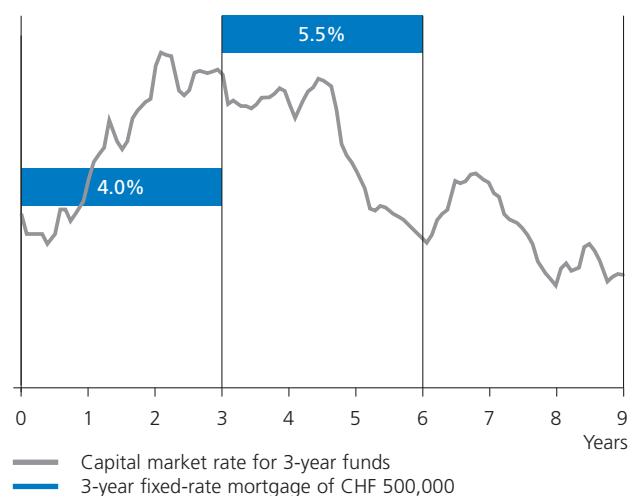
A combination of two fixed-rate mortgages with different due dates, or of one fixed-rate mortgage with another UBS mortgage product, acts as a kind of insurance against an unlimited upturn in interest rates. What is more, this insurance costs you nothing.

Example

Option 1: You have borrowed CHF 500,000 in the form of a 3-year fixed-rate mortgage at 4.0% interest. After the three years have elapsed, a new fixed-rate mortgage for the same period would cost you 5.5%. This represents an increase of 1.5% in the interest rate, or an additional CHF 7,500 a year.

High interest rate risk (option 1)

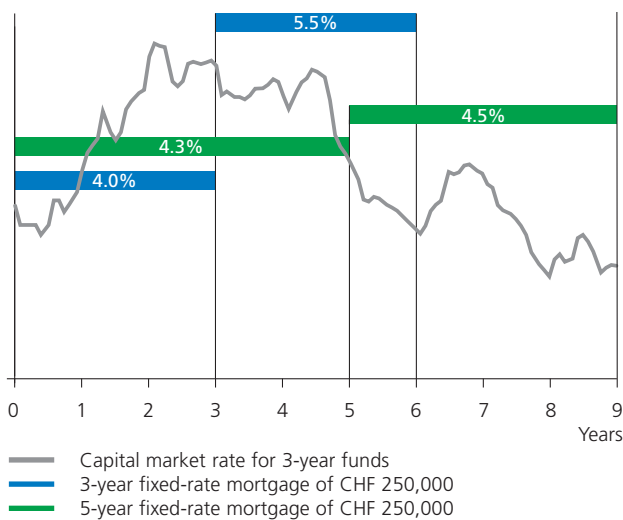
Interest rate in percent



Option 2: It would be better to divide the amount between two mortgages, say, by raising a 3-year fixed-rate mortgage of CHF 250,000 at 4.0% and a 5-year fixed-rate mortgage of CHF 250,000 at 4.3%. This means that only half the amount you have borrowed will fall due after three years and be subject to the higher refinancing rate of 5.5%, while the remainder will continue to be charged at the lower interest rate for another two years. Consequently, your new average rate goes up by only 0.75% and your extra interest costs are reduced to CHF 3,750 a year. Altogether, you pay CHF 6,250 less over a period of six years with this option.

Optimized interest rate risk (option 2)

Interest rate in percent



Good to know

- The UBS Fixed-Rate Mortgage is suitable for all types of real estate financing.
- Regular repayments can be specified in the mortgage agreement.
- Last but not least you can get points with your UBS mortgage. As a UBS KeyClub member you receive valuable bonus points for your mortgage every quarter throughout the entire term of your mortgage.

Any questions?

For further information on UBS mortgage products and our special offers, please see our Web site at www.ubs.com/hypo. Or simply ask your UBS advisor.



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