

Welcome home

Make your dream of owning your **own home** come true
with UBS's versatile financing products



A quick guide
to everything
you need
to know about
home financ-
ing.

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First steps

Feel at home sooner thanks to these expert tips from UBS's mortgage specialists

Is your dream of owning your own home beginning to take shape? If it is, we'll be glad to help you build your dream on a sound foundation, with competent, integrated advice and top-class mortgage products. Read on for some important tips and information that you should bear in mind when thinking about buying your own home.

What sort of home do you have in mind?

You no doubt have a concrete idea of what your home should look like. As this will be a long-term investment, we advise you to consider beforehand what really matters to you about a home before you buy.

How are you going to finance your home?

You've found your ideal property and you know how much it costs. Now you naturally want to know how much money you will have to provide yourself, and how to finance the rest. This is how the capital you need to buy the property is made up:

Your own capital

You can calculate how much capital you need from the market value – the bank's estimate of how much the property is worth. This is the price that the property would be expected to fetch on the open market. For new buildings, the market value is usually the same as the purchase price, or the cost of the land and the building. To avoid taking on too heavy a financial burden following the purchase, we recommend that the capital you contribute should be at least 20 percent of the market value. If you don't have enough cash to do this, you can use savings capital from your occupational retirement planning and private retirement savings, i. e., the second and third pillars.

The mortgage

You can finance the rest of the purchase price or cost of construction using a mortgage. This consists of a first mortgage of up to 65 percent, and a second mortgage that takes the financing up to 80 percent of market value.

Your income should cover the payments

To avoid running into trouble in the long term, you should be able, without strain, to pay the interest and repayments on the second mortgage, as well as the maintenance and incidental costs of your property, from your income.

What taxes should you expect?

Owning your own house or apartment changes your tax situation with regard to your earnings and assets.

Income tax

Owning your own home affects your income tax situation in two ways:

- You must pay tax on the imputed rental value of your residential property, as this is viewed by the tax authorities as notional income from your property.
- You can deduct mortgage interest and maintenance costs from your taxable income.

Wealth tax

You must pay tax on your property as an asset, but you can deduct the amount of your mortgage from the property's taxable value.

What form of repayment would be best for you?

You can repay your mortgage in two different ways:

Direct repayment

With this method, you pay a fixed amount every quarter. This reduces your mortgage year by year, as a result of which the interest due automatically declines as time passes.

Indirect repayment

As the name says, you don't have to repay the mortgage directly as the repayments are paid into a pillar 3a retirement savings account. These assets are tax-privileged because they are used to provide private pension cover or to acquire an owner-occupied property. By retirement at the latest, these assets are used to repay the mortgage.

Other questions to answer before buying your own home

- Will you still be working in your current position and in the same region as your future home in several years' time?
- Are you looking for a detached house? Are you thinking of a designed, standard, or prefabricated house?
- Would you like to buy your own apartment? Consider at an early stage the kind of apartment that best meets your needs (e.g. apartment with a shared garden, maisonette, attic, or loft apartment).
- Do you want to buy an existing property? If so, has it been assessed by an expert?
- Do you want to have it designed by an architect or general contractor? Check their creditworthiness, quality, and construction methods in advance using existing reference properties.

Settling in

Build a solid financial foundation for your home with UBS's comprehensive and expert **advice**

A secure financial basis for your own home

Building or buying your own home is a big step. It involves making decisions that will have a long-term financial impact. As a market leader for real estate financing, we will support you every step of the way. We take the time to get to know and understand your preferences and goals. This personal approach is the way we provide you with a solid, reliable financing solution that meets all your needs. With our support, you can be confident that you are making the right decisions.

You benefit from top-line services

- When you take out a mortgage, do you want to know exactly what costs you will face?
- Do you wish to benefit from falling interest rates?
- Would you like to invest and save on taxes at the same time?
- Do you want extra security because you have children?

We offer a range of mortgage products designed to meet your needs when buying your own home. Our selection is broad, and includes the traditional UBS Fixed-Rate Mortgage with terms of up to ten years, the UBS Libor Mortgage, and a number of attractive special products.

We support you from the very beginning

We will discuss the individual requirements of your project in a personal advisory consultation. Whether you are buying and financing new or existing property, or would like to refinance existing property, we are here to support and advise you right from the start.



Taking care of everything

UBS will help you draw up your unique financing strategy

The right strategy brings peace of mind

Choosing the right financing strategy is similar to finding the right investment strategy. When investing, you weigh up the expected returns against the risks involved, while with mortgages, you compare the interest costs with the risk of rising interest rates.

The general rule of thumb for mortgages is: the shorter the term, the lower the interest rate.

However, you should bear in mind that short-term interest rates are subject to more severe fluctuations than medium- or long-term interest rates. The risk with fixed-term mortgages, on the other hand, is that the renewal of the mortgage could come at a time when interest rates are high. We recommend a mix of products with different terms in order to minimize this risk.

Interest rates affect which mortgage you choose

Once you have drawn up your financing strategy, you must choose the product itself. This is determined by current interest rates. Ask the following questions:

- Are interest rates high or low?
- Are they more likely to rise or to fall?

We can help you answer these questions, and provide you with a tailored financing proposal based on your strategy and on current interest rates. This financing proposal combines an ideal set of different products, together with staggered maturity dates for your overall financing arrangement.

Your entire assets are included

How have you invested your assets? In addition to the current market environment, this aspect also plays a role in your choice of financing strategy. Naturally, we also take this into account when drawing up the financing proposal.

The ideal financing strategy for every goal

Profile	Main products	Supporting products
Stable	<ul style="list-style-type: none"> • UBS Fixed-Rate Mortgage, medium- to long-term 	<ul style="list-style-type: none"> • UBS Fixed-Rate Mortgage, short-term • UBS Libor Mortgage
Balanced	<ul style="list-style-type: none"> • UBS Fixed-Rate Mortgage, medium-term 	<ul style="list-style-type: none"> • UBS Libor Mortgage
Market-oriented	<ul style="list-style-type: none"> • UBS Libor Mortgage • UBS Fixed-Rate Mortgage, short-term 	<ul style="list-style-type: none"> • UBS Fixed-Rate Mortgage, medium- to long-term

Leave
KEYS

Schedule
PAINTER.

TURN OFF
HOB!

Call
mom

Water
plants



An ideal combination

We'll help you find the **mortgage mix** that suits you best

The decision regarding which mortgage is best suited to your financing needs is rarely easy. The cheapest mortgage at any given time is not necessarily the best choice. It is much more important to find the right combination of mortgages so you are better off in the long term.

A UBS mortgage has the following unique advantages:

- You can expect the ideal financing solution to suit your own personal asset, retirement planning, and tax situation.
- We combine different mortgage products according to your needs and preferences.
- Our special offers give you attractive preferential interest rates.
- You benefit from reduced account management and service prices.

The right mix for any mortgage profile

We recommend combining different products and maturities as much as possible. This strategy allows you to diversify the interest rate risk while also providing the following benefits:

- Staggering the maturities means you can avoid having to renew all your borrowings on the due dates in an unfavorable interest rate environment.
- Combining more than one product reduces the risk associated with interest rate fluctuations.

Our mortgage models

You can choose between two mortgage models:

Fixed-rate mortgages

UBS Fixed-Rate Mortgages have both a fixed interest rate and a fixed term. They are suitable for property owners who wish to avoid fluctuations in their interest rate payments. This means that you can calculate your exact interest payments for the entire term of the mortgage, and reliably budget your spending. Although you will not benefit directly when interest rates fall, you will also not be affected when they rise. If market conditions are favorable, you can secure a low interest rate for years to come. In order to limit the risk of a change in interest rates at maturity, we recommend dividing the mortgage into several tranches. This results in staggered maturity dates.

Variable-rate mortgages

With this model, the interest rate is linked directly to the market. This means that it adjusts at regular intervals to reflect current market rates. As a result, you benefit directly when rates fall.



Everything at a glance

You can take advantage of the following UBS mortgages

Product	Term to maturity	Interest rate	Benefits
UBS Building Financing Turn your building plans into reality	Up to 2 years	Variable	<ul style="list-style-type: none"> • UBS will handle all your payments for you • You are kept informed of all cash movements and the current balance on your account • You can have your financing paid out directly as a UBS Fixed-Rate Mortgage, thus ensuring that your interest payments stay the same over the long term
UBS Fixed-Rate Mortgage Know in advance exactly what interest charges you will have to pay	2 to 10 years	Fixed for the entire term	<ul style="list-style-type: none"> • No interest rate volatility over the term of the mortgage • Reliable expenditure planning • Lower interest rate risk with a combination of different maturities
UBS Forward Mortgage Protect yourself against rising interest rates	2 to 10 years, with no advance notice period	Fixed for the entire term	<ul style="list-style-type: none"> • The interest rate can be fixed up to 12 months in advance • Protects you against rising interest rates • No interest rate volatility over the term of the mortgage • Reliable expenditure planning
UBS Libor Mortgage Flexible financing in line with the market	3 years	Variable: changes according to the period for which interest rates are fixed	<ul style="list-style-type: none"> • Enables you to benefit quickly from falling interest rates • Option of switching to a multi-year UBS Fixed-Rate Mortgage free of charge once a fixed-rate period has expired • Short-term interest rates are generally the most favorable (based on 3-, 6- and 12-month CHF Libor)
UBS Mortgage Overdraft Facility Exclusively for UBS mortgage clients	Unlimited: may be cancelled by either party at any time	Variable	<ul style="list-style-type: none"> • Flexible cash management • Freedom to use the limit any way you wish • You can draw down and repay funds any time you choose without having to go through your UBS client advisor • Interest is only charged on the loan amount you actually draw down
UBS Mortgage with insurance cover Financing and financial security for dependents from a single source	Varies according to the UBS mortgage chosen	Variable or fixed for the entire term	<ul style="list-style-type: none"> • Convenient and secure solution • You have the choice: term life insurance cover or insurance against incapacity to work as a result of illness or accident

Our special offers¹

Our focus is on your interests and needs. With this in mind, we are constantly refining our products, and regularly develop new mortgage solutions. Your UBS client advisor will be happy to advise you about our special offers.

¹ Special offers can neither be combined nor accumulated.

Avoiding surprises

Check below to make sure you're optimally insured against all **risks** when it comes to your home

You face a number of risks both during and after the construction of your own home. All it takes is for an unexpected event to happen, and suddenly you are liable as the owner of the building or land. It is therefore worth taking out the appropriate insurance when planning your own home, in order to be on safe ground at all times.

Building owner's liability insurance

This insurance protects you against the financial consequences of any liability claims made against you as the building owner during the construction of your home, which are the result of damage to property, or personal injury, caused in connection with the construction project.

Builder's risk insurance

This is a form of comprehensive building insurance, i. e., property insurance, for civil engineering and building construction. This normally insures against the risks faced by the building owner, geologist, architect and engineer, as well as the contractors, subcontractors and tradesmen involved. The insurance covers unexpected damage to the incomplete building (damage or destruction).

Construction period insurance

In some Swiss cantons, the building owner is required to take out construction period insurance. This insurance covers damage caused by fire, earthquake and acts of God (e. g. storm damage) during construction. For further details, please contact the relevant building insurance provider or the Swiss Insurance Association (SIA).

Building insurance

Once the house has been built, building insurance protects you against the financial consequences of fire or water damage, for example.

Property owner's liability insurance

Property owner's liability insurance protects homeowners against the unexpected costs of third-party claims based on personal injury or damage to property.

Personal insurance

It is also important to make provisions for the financial security of your family or your partner by taking out life insurance and loss of income insurance. We offer first-rate solutions in this area to protect you from the financial consequences of illness, accident, invalidity or death of the building owner. Our portfolio includes pure risk insurance (with no accumulation of capital) as well as combinations of risk coverage and retirement savings under pillar 3a.

Securing residential property


There are events that you should think about when buying residential property. Financial bottlenecks are unavoidable, for instance, when couples separate, or when a partner dies or becomes unable to work due to disability. The income situation also changes on retirement.

Term insurance can be taken out to protect against the financial consequences of death through illness or accident. The capital paid to the survivors when the policyholder dies can be used to reduce the amount owed on the mortgage, enabling them to keep their home. Disability pension insurance can be taken out to cover invalidity.

We would be happy to show you how to make appropriate arrangements for different situations, and to discuss the services and products we offer.

Find out more at

 ubs.com/mortgages

 0800 884 558

Why UBS?

There are lots of **good reasons** to bank with UBS

- We take the time to get to know your situation and your goals. Because your wishes and needs are important to us.
- We offer a broad range of different mortgage products and advantageous special offers.
- Together with you, we draw up your personal financing strategy to find the ideal combination of your own capital contribution, our mortgage products and a repayment schedule, bearing in mind the consequences for taxation.
- Our comprehensive advice also takes into account your needs with regard to investment and retirement provision.
- You benefit from our years of experience in the Swiss mortgage market.
- We are a strong and stable partner at your side, dedicated to giving your dreams of owning your own home a secure financial foundation.

For all your questions

 ubs.com/private-clients

 ubs.com/publications

 UBS Service Line Private Clients 0848 848 054

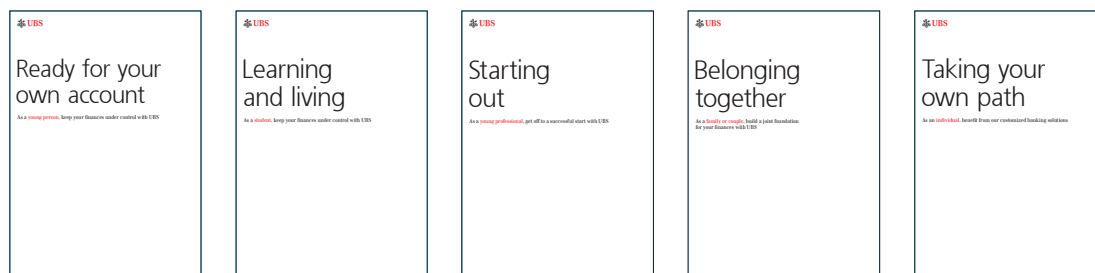
 Find your nearest branch ubs.com/locations

For all your needs

Want to finally set up on your own? Enjoy the benefits of student life? Start a family? Fulfill the dream of owning your own home? Or innovate for the future as an entrepreneur?

Whatever your plans, we will support you every step of the way with total dedication and tailored solutions. And we won't be happy until you are.

Solutions for every stage of your life



UBS for young people

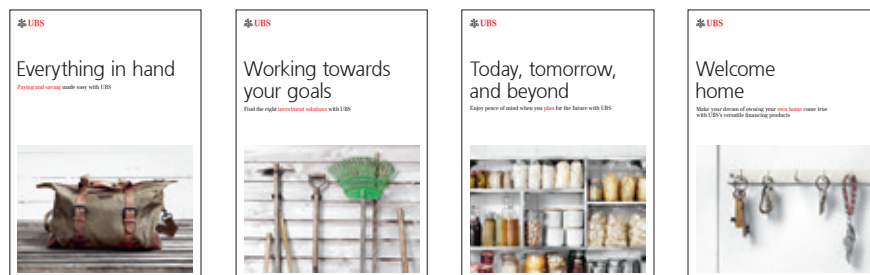
UBS for students

UBS for young professionals and graduates

UBS for families and couples

UBS for individuals

Solutions for all your financial needs



Pay and Save

Investing

Retirement

Financing

Solutions for sophisticated financial transactions

We offer customized solutions that go far beyond the ordinary to support the personal and business success of:

- high-net-worth individuals;
- entrepreneurs;
- managers;
- fiduciary agents;
- lawyers and notaries.

Your client advisor will help ensure that we tailor a solution to satisfy your most complex financial requirements, using our detailed knowledge of your needs and drawing on our global network of specialists.

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