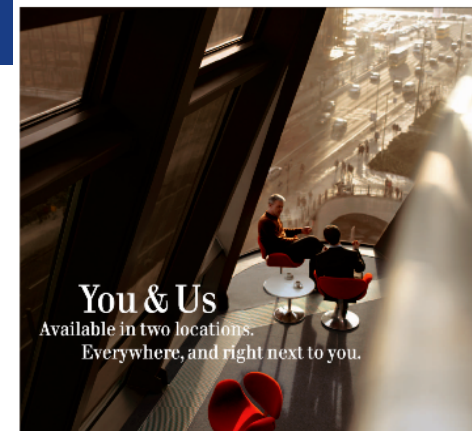




# UBS Investor Day – Zurich Wealth Management US

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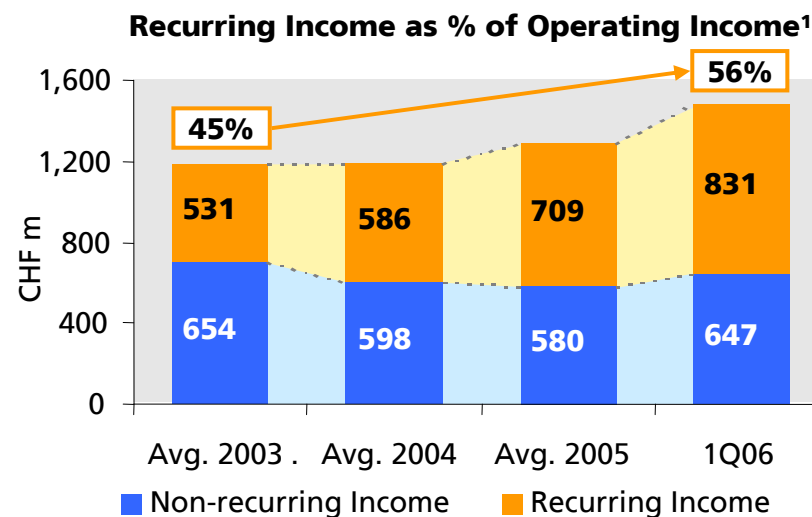
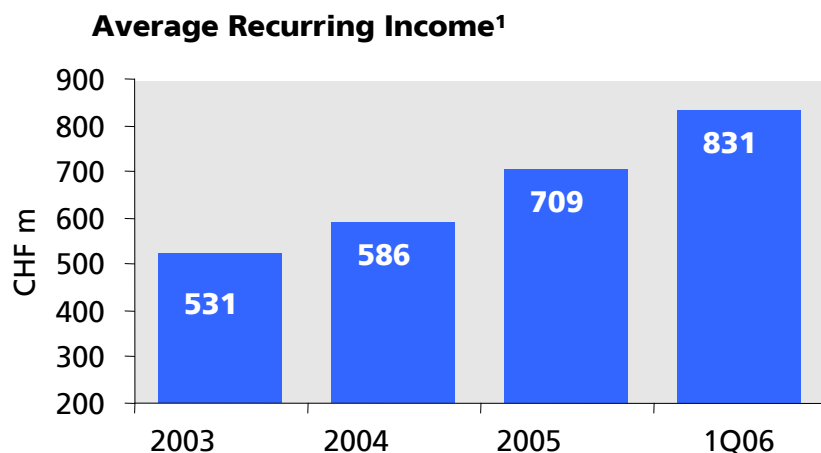
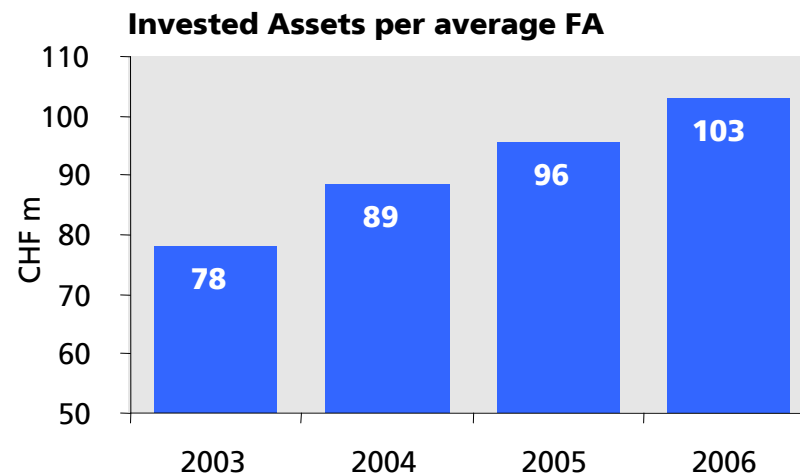
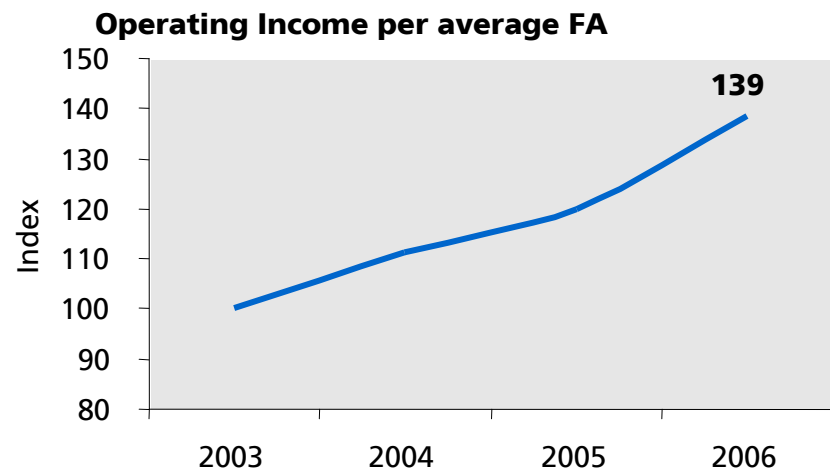
Marten Hoekstra, Head of Wealth Management US



May 31, 2006

# Strong Momentum

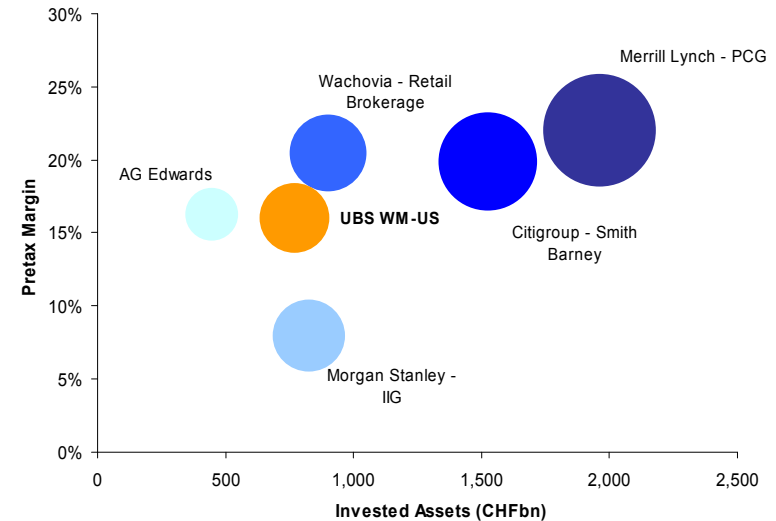
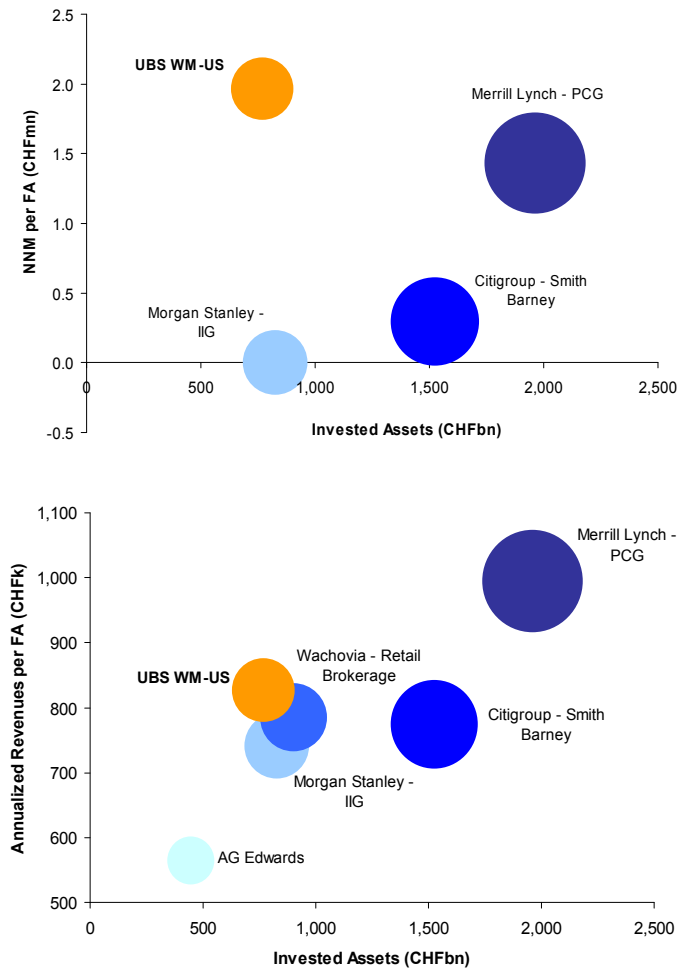
## Improving FA productivity and revenue mix



# Position Versus Traditional Competitors

**Strong relative FA performance**

**...opportunity for further improvement of profitability**

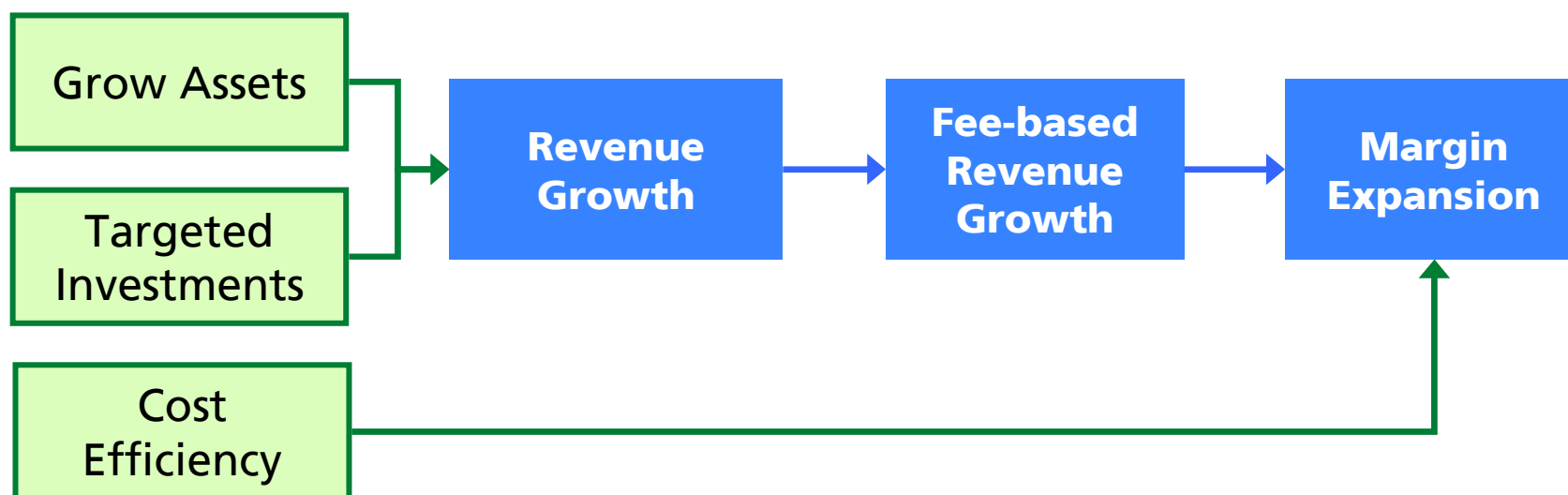


- Notes:**
- Figures based on actual US Dollars results translated into CHF (Figures calculated using 1.30 CHF/USD spot rate and 1.30 CHF/USD average FX rate)
  - All data as 31 Mar 2006 except for MS and AG Edwards (reporting period Dec-05 to Feb-06)
  - UBS WM-US results exclude acquisition costs
  - MER, Citi SSB, MS pretax adjusted for SFAS 123(R) compensation expense for prior periods
  - Bubble size represents Invested Assets



# UBS Wealth Management US 2010 Opportunity

## Performance improvement sequence



Grow Assets	Targeted Investments	Cost Efficiency
<ul style="list-style-type: none"><li>◆ Active use of client feedback</li><li>◆ Client Experience focus</li><li>◆ Incentive alignment</li></ul>	<ul style="list-style-type: none"><li>◆ Organic growth initiatives</li><li>◆ Infrastructure enhancements</li><li>◆ Acquisitions</li></ul>	<ul style="list-style-type: none"><li>◆ Continued cost management</li><li>◆ Leverage the Global WM&amp;BB platform</li></ul>

# Focus on Asset Growth

## Alignment of strategy and tactics

### Active Use of Client Feedback

Solicitation of direct client feedback on relationship with FA and Firm

- ◆ Market research as an implementation tool
- ◆ Coaching tool for Branch Managers
- ◆ Framework for FA business planning
- ◆ Ongoing transparency at all levels

### 2006 Compensation Changes

Financial Advisor and Branch Manager compensation aligned to focus on Net New Assets

#### ◆ Financial Advisors:

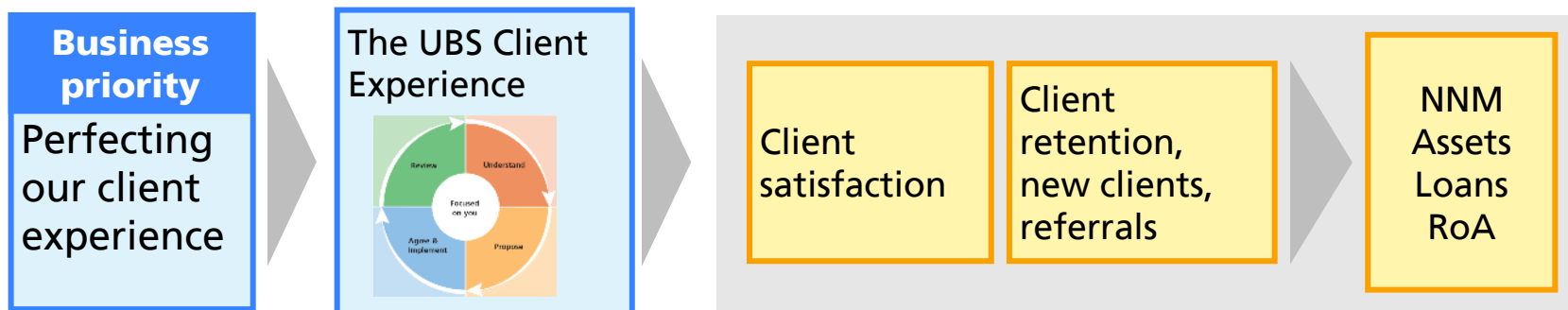


#### ◆ Branch Managers:

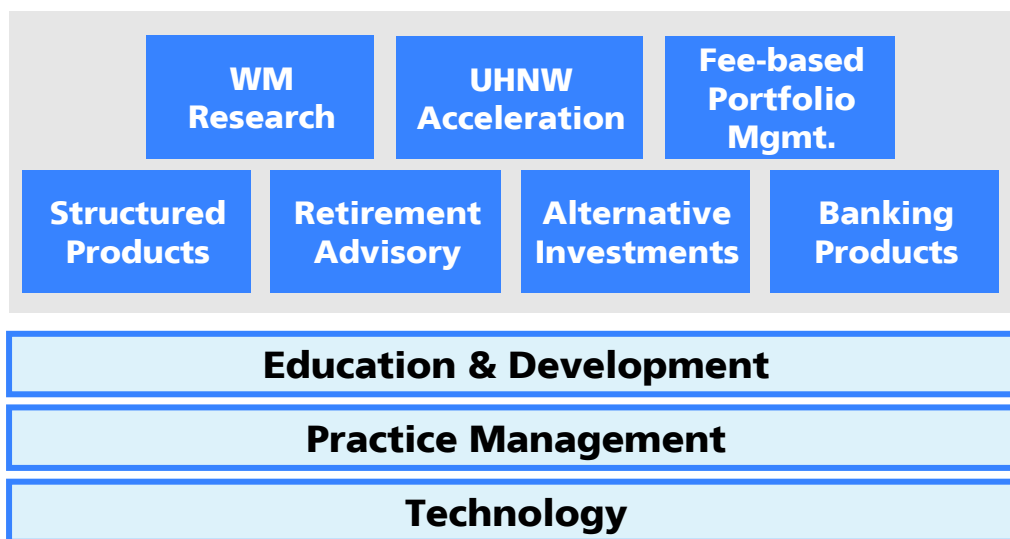


# Global WM&BB: More Value for WM US

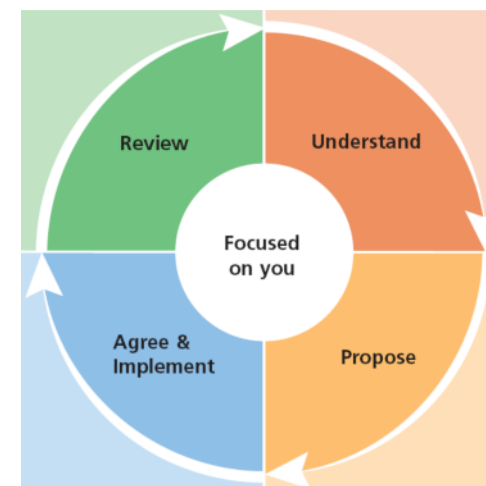
## Organic growth initiatives and infrastructure enhancements to enhance the UBS Client Experience



### Key Initiatives



### Client Experience



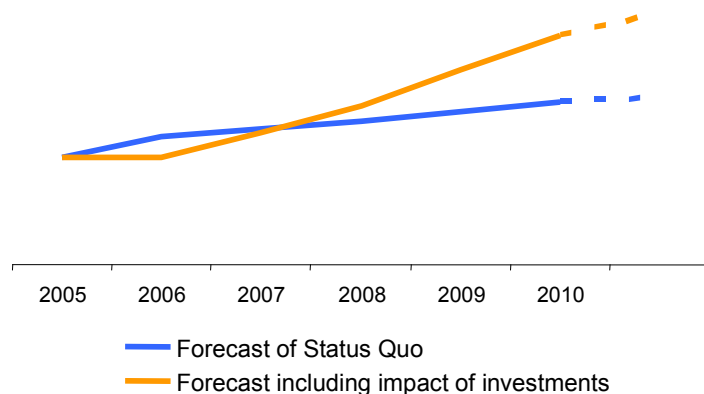
# Strategic Investments in the Future

**Position UBS to be the leading Wealth Manager in the US and provide greater earnings potential in the long term**

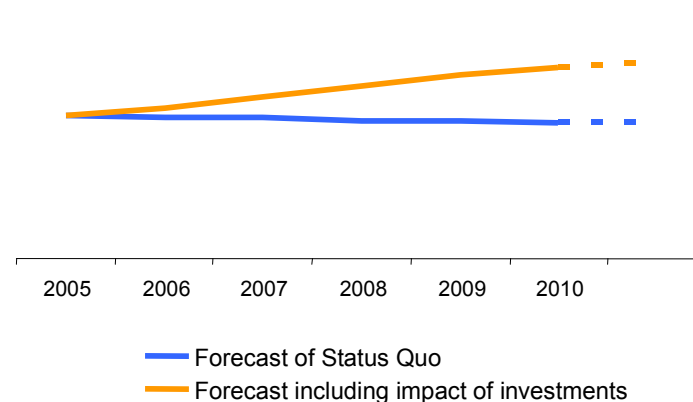
Targeted Investments

- ◆ Organic growth initiatives
- ◆ Infrastructure enhancements
- ◆ Acquisitions

**Performance before tax**



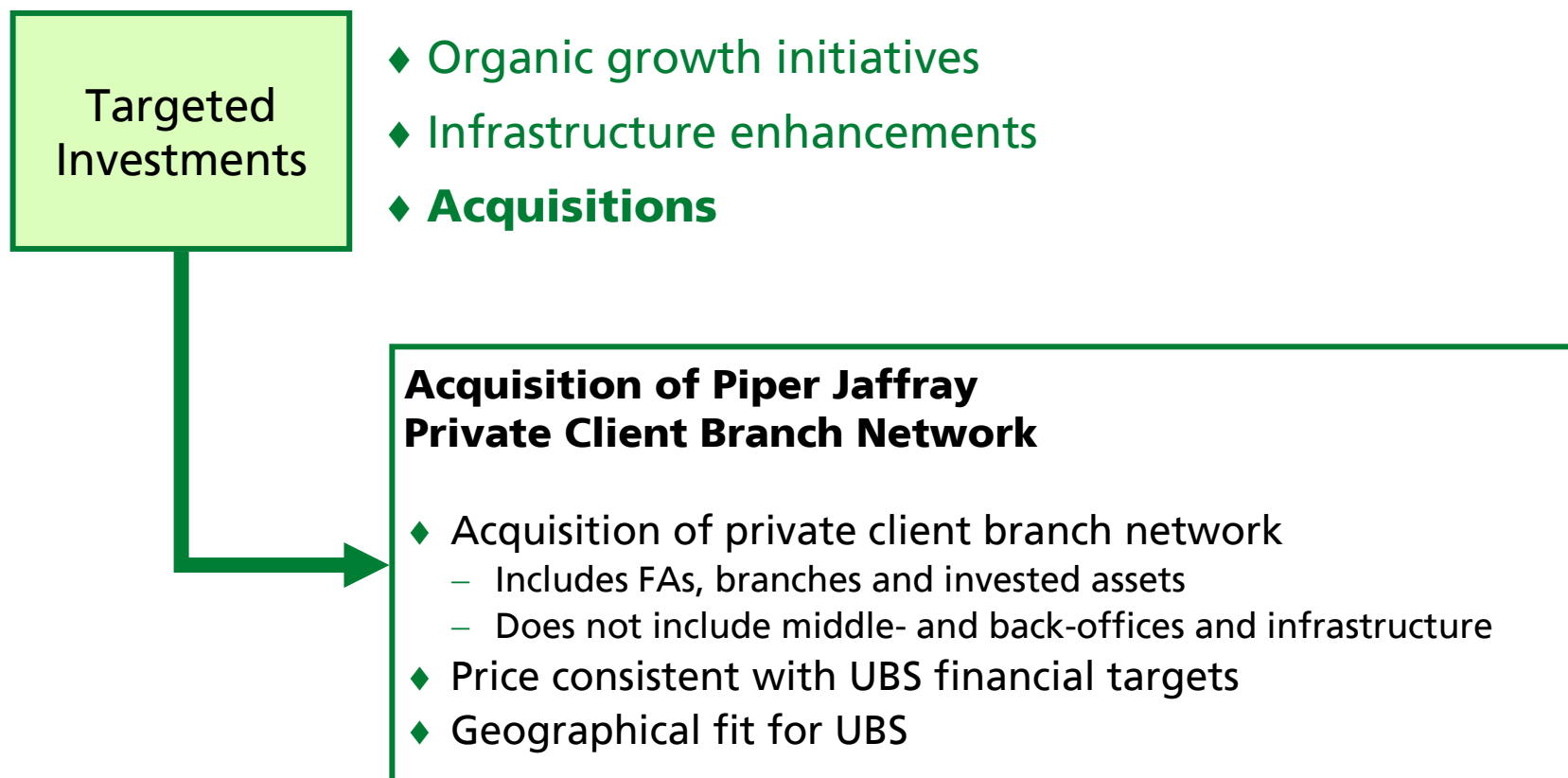
**Gross margin**



# Targeted Investments

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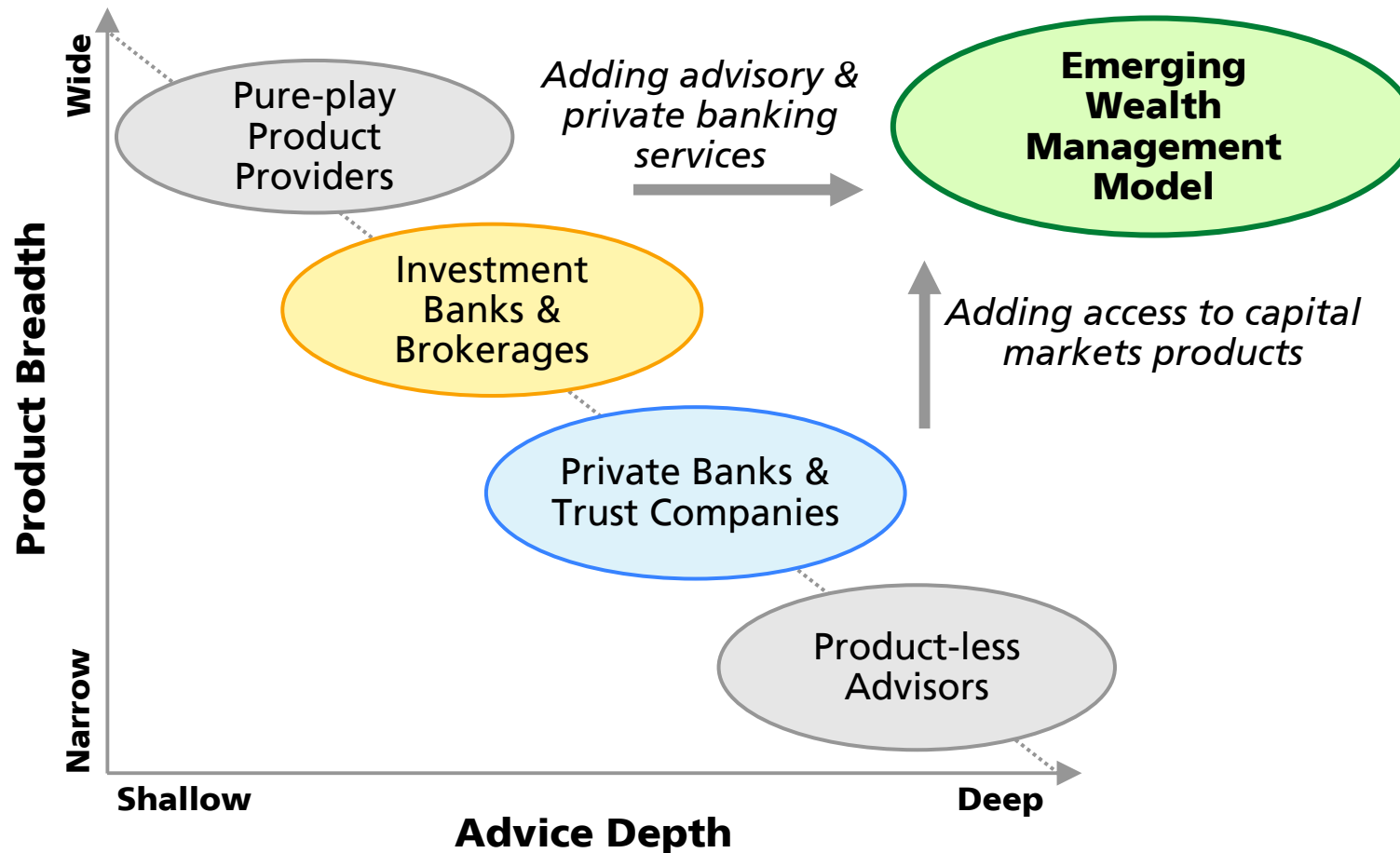
## Acquisitions as part of our 2010 opportunity





# Industry Dynamics

Firms are attempting to build appropriate capabilities in a post-Glass-Steagall world



# U.S. Competitive Service Platforms

Most U.S firms have dedicated ultra high net worth efforts

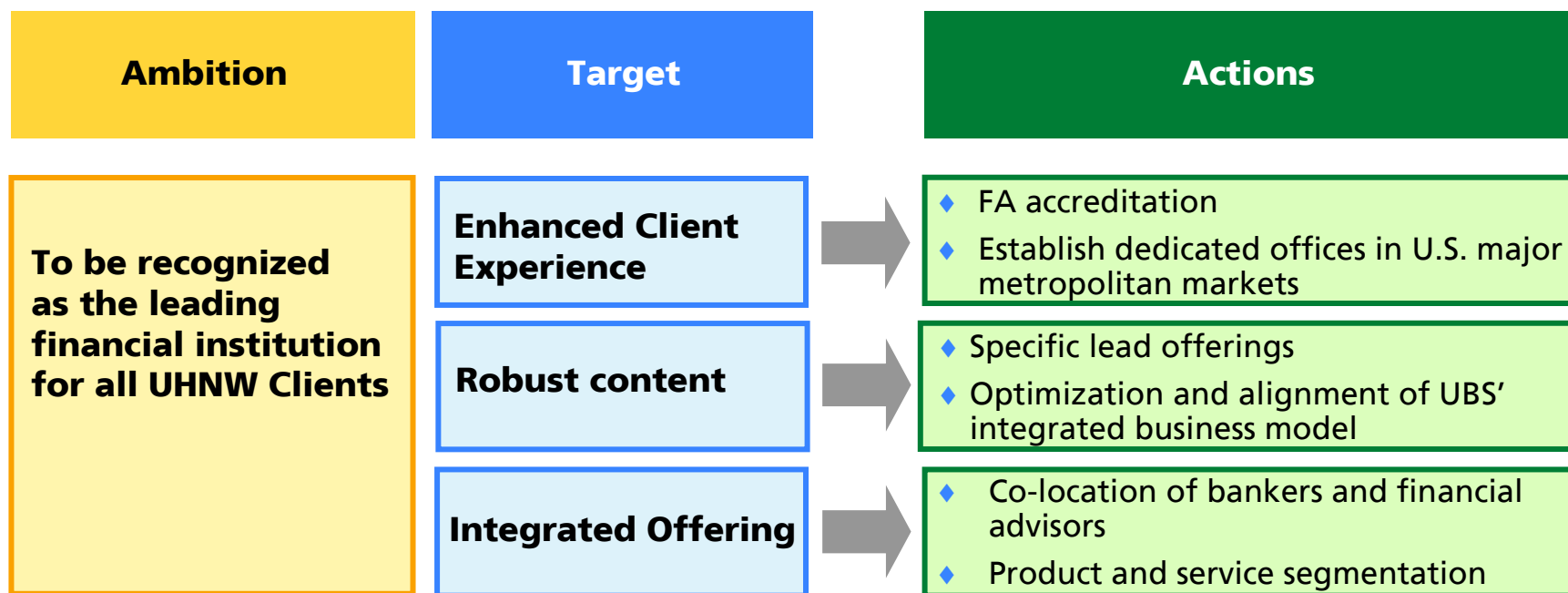
	Affluent 250K - 1M	HNW 1M - 10M	UHNW >10M
<b>UBS Wealth Management US</b>	Wealth Management US		
			Private Wealth Management
<b>Charles Schwab</b>	Schwab Active Trading	Schwab Advised Investing	U.S. Trust
<b>Citigroup Global Wealth Management</b>	Smith Barney		
			Private Bank
<b>Fidelity</b>	Retail Brokerage		Private Wealth Management
<b>Goldman Sachs</b>			Private Wealth Management
<b>JP Morgan Chase</b>	Private Client Services		Private Bank
<b>Mellon</b>			Private Wealth Management
<b>Merrill Lynch GPC</b>	Investment Advisory Services		Private Wealth Management
<b>Morgan Stanley GWM</b>	Investment Advisory Services		Private Wealth Management
<b>Northern Trust</b>		Private Client Group	Wealth Advisory & Management
<b>Wachovia</b>	Investor Center	Wealth Management	Family Office

Note: UBS analysis based on company published information



# Ultra High Net Worth Focus

**Our UHNW household value grew from \$48 bn to \$90 bn (CAGR of 32%) in the last nine quarters.**



1 CAGR from December 2003 to March 2006; Total UHNW Client Assets (USD 10 mn+ accounts) of \$90 billion include invested assets, restricted stock on deposit at UBS, and credit line drawdowns.

**Private Wealth Management's goals are consistent with the Firm's global UHNW client initiative**

# Financial Advisor Accreditation

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**Over 100 advisors have completed a specialized accreditation program focused on the segment and are now certified “Private Wealth Advisors”**

- ◆ Provide financial advisors with requisite skill and knowledge to identify ultra high net worth client needs and bring appropriate UBS expertise to bear:
  - Asset management, including alternative classes
  - Concentrated wealth
  - Trust & estate planning
  
- ◆ To become accredited, in addition to meeting business requirements, financial advisors must:
  - Pass live accreditation role play training
  - Pass a comprehensive, proctored exam
  - Complete advanced on-line course work
  
- ◆ Our field management (Two Divisional Managers and 12 Regional Managers) has completed the Private Wealth Education programs

**Our goal is to have 400 dedicated UHNW Advisors by 2010**

# Dedicated UHNW Pilot Office

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**UBS will expand its WM US branch network through a series of dedicated UHNW offices. Our New York City pilot office is scheduled to open in 3Q06.**

## Key Business Hypothesis

- ◆ A dedicated office of co-located Private Wealth Advisors, Private Bankers and experienced, multi-disciplinary experts will help drive business growth

## Structure and Offering

- ◆ Specialized UHNW coverage team
- ◆ Distinctive UHNW Products and Services combining banking and brokerage
- ◆ Specialized procedures and dedicated experts in Operations and Service area in branch office as well as home office
- ◆ Segmented product solutions and operational support
- ◆ Primary access to UHNW client referrals from UBS

# Utilization of Multiple Business Entities

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**Repositioning and enhancement of trust and banking capabilities in 2006 and 2007 to provide a more seamless client experience**

## Reposition our trust capabilities

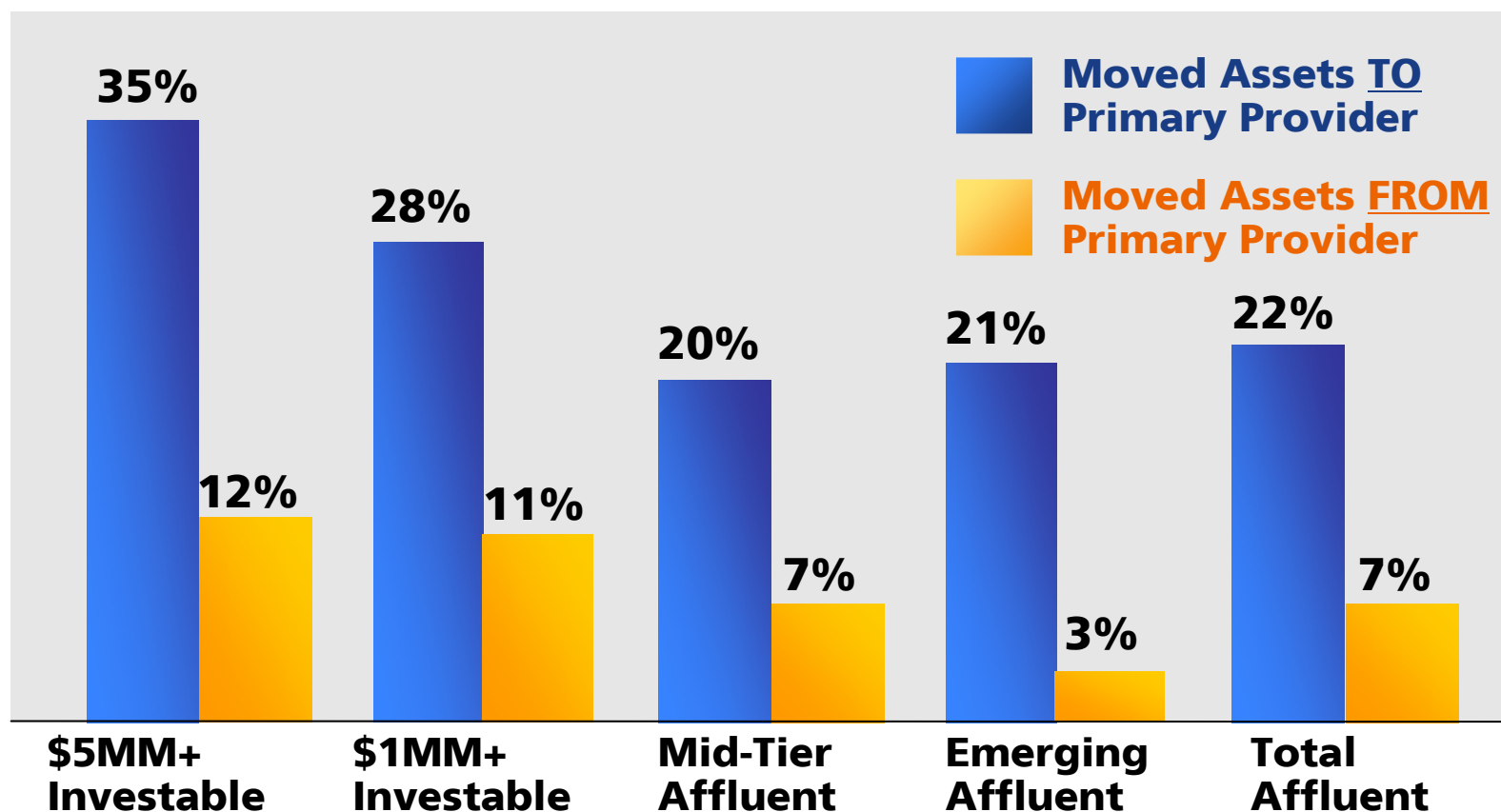
- ◆ Establish a Delaware charter
- ◆ Broaden the investment offering
- ◆ Open regional trust offices in the key US markets (in coordination with UHNW offices)
- ◆ Hire Business Development Officers
- ◆ Expand Philanthropic Services offering and Family Office consulting
- ◆ Focus on Foreign inbound trusts to capture non-US clients with US beneficiaries

## Integration of UBS AG bank

- ◆ On March 31, 2006, Wealth Management US assumed responsibility for domestic private banking business
- ◆ Position WM US to provide products and services to clients who use banks as a primary provider
- ◆ Obtain access to capabilities that securities firms cannot provide

# The Importance of Being the Primary Provider

## % of U.S. Households Moving Assets To/From their Financial Services Primary Provider Past 12 Months

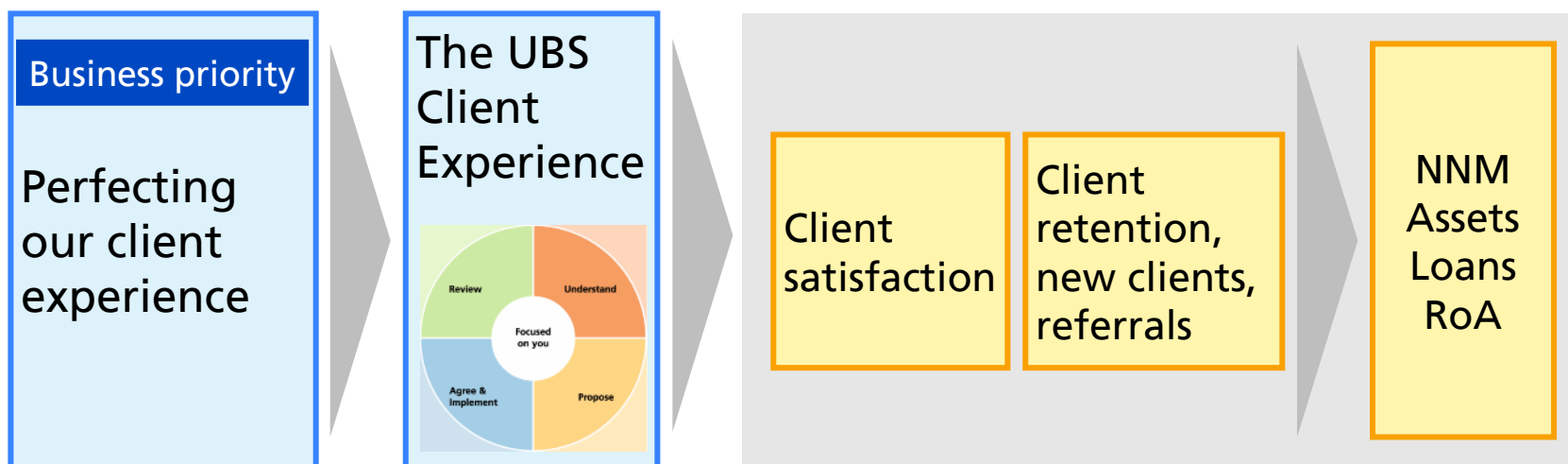


Source: Phoenix Marketing International March 2005

# Perfecting Our Client Experience

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## Client satisfaction as the basis for future growth



**Supported by internal client satisfaction,  
transparency and an overall culture of service**



# Questions...

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