



Why USAM Trust Deeds

Opportunity:

Most individual investors today are looking for opportunities to earn more monthly income while maintaining a secure, diversified portfolio. For almost all investment and lending options there are pros and cons. The Fixed versus Variable income investment is a classic example.

While virtually all investors understand the benefits of a balanced portfolio, there are times when one type of investment is more preferable than the other.

Fixed Income Investments are an important part of a well-diversified portfolio. Fixed income investments pay interest at specified times in fixed amounts, and are usually issued by a corporation, municipality, or government sponsored agency.

There are two primary reasons investors may want to include fixed income investments in their portfolio:

- **Regular Income** - Fixed income investments provide a stable and regular stream of income.
- **Diversification** - Fixed income investments are essential to the performance of an individual investor's portfolio.

A USAM Trust Deed Investment is considered to be a fixed income security:

Trust deeds (TD's) secured by tangible real property, when professionally underwritten and managed, have become a good investment alternative for the income-producing portion of an investment portfolio.

Diversification

Trust Deed investing offers many investors, particularly retirees - another method of diversification to help reduce volatility in their portfolio and a way to generate additional income.

Historically, trust deeds have outperformed cash investments (bank deposits, CDs, money market instruments and US Treasury bills), and exhibited less volatility than stocks, although stocks and mutual funds can offer high returns, they have greater risks. Furthermore, the return on TD's has often offset the negative return on stocks during periods of market downturn. As a result, adding TD investments to an all-stock portfolio generally increase's overall return and lowers the overall risk of your portfolio.



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Yields:

	Trust Deeds	CDs	Stocks	Municipal Bonds
Interest	8-11%	1-3%	Variable	4-5%
Risk	Low	Low	Moderate-High	Low-Moderate
Secured by	Real Estate	FDIC	Paper	Municipalities
Liquidity	Yes with Penalty	Yes with Penalty	Yes	Yes
Commissions	None	None	Always	Always

Income:

Fixed-income investments involve loaning money for a period of time in exchange for periodic interest. **A Trust Deed Investment** can generate additional income to supplement existing income sources.

Predictability:

Most fixed-income investments also provide a predictable stream of income. This can be an advantage for current or near retirees who seek regular income to supplement a pension and/or Social Security.

Tax Advantage:

The interest income generated by some fixed income investments are tax deferred or tax exempt from federal and/or state income taxes. The Tax-Exempt Fixed Income Model invests your IRA, family trust, or pension funds in Secured Loans (Trust Deeds / Mortgage Notes).

Additional Benefits of Trust Deed Investing:

- No Load Investment - there are no fees for investing
- Higher Fixed Yield - historically exceeding the Dow Jones average
- Higher Liquidity - short term loans typically written for sixty (60) months
- Security - trust deeds backed by California real estate
- Stability - interest stays constant throughout the term of the loan
- Fixed Principle - principal value of investment does NOT vary... unlike stocks and bonds