

Value investing

On the track of **renowned investors**

Open End PERLES on the Solactive Value Investoren NTR Index

In good company

With the Solactive Value Investoren Net Total Return Index, you can draw on the investment skills of investors who have a successful stock trading history going back decades. The index currently comprises 14 associated companies of selected large investors, all of which pursue a value investing style. The list includes Warren Buffett: With his investment company Berkshire Hathaway, the "oracle of Omaha" is arguably one of the most famous value investors. Yet, he is by no means the only advocate of this investment paradigm. For example, Albert Frère with his associated company Groupe Bruxelles Lambert (GBL) is regarded as Belgium's financial magician. With his two holding companies Hutchison Whampoa and Cheung Kong, Li Ka-Shing controls a material portion of the enterprises traded at the Hong Kong stock exchange. Moreover, the globally active fund manager Invesco mainly pursues a value-oriented investment strategy.

Undervalued quality equities

The value and the price are the two variables that value investors are especially interested in. Their objective is to find enterprises that cost less than they are actually worth. While the current price of an equity is evident on a daily basis, the art of value investing consists of ascertaining the actual value of an enterprise. The traditional approach, which was established by Benjamin Graham with the book "The Intelligent Investor" in 1949, concentrates primarily on the book value of a company. In addition to an attractive valuation, many successful investors also pay attention to quality criteria, e.g. factors that concern the business model, the management and the competitive position.

Long-term investment horizon

Apart from the search for supposedly undervalued equities, value investors are characterized by their consistently long-term investment behavior. For example, Warren Buffett believes that an investment that you are not willing to hold for five years is not worth owning for five minutes.



SSPA product type

Tracker certificates (1300)

| Currency | Valor | SIX Symbol |
|----------|----------|------------|
| EUR | 27211036 | VALUEE |
| USD | 27211035 | VALUEU |

ubs.com/value

Diversified investment thanks to a smart index concept

The Solactive Value Investoren Net Total Return Index was developed by the index provider Solactive AG and is calculated as a performance index in US dollars. This means that any net dividends of the index members are reinvested in the index.

The long-term nature of the value investing style is accounted for, as the underlying index does not have any limitations on the duration. You can thus participate in the regularly adjusted index on a long-term basis with a single transaction. Yearly reviews of the index ensure that the composition and weighting of the members will continue to suit the selection criteria. For this reason, the index is limited to investment companies that are largely committed to the value investing style and that have a market capitalization of at least 200 million euros. The weighting of an index member depends on the respective market capitalization, but is capped at 10.0 percent on the review dates. The Solactive Value Investoren Net Total Return Index admits a maximum of 25 members. This alone means a rather large base. The diversification benefit is further augmented by the fact that all equities included in the index represent associ-

ated companies, which in turn hold broadly diversified investment portfolios.

The product solution

The UBS Open End PERLES on the Solactive Value Investoren Net Total Return Index track the performance of the underlying index, which reinvests any net dividends from index members after deducting the management fee of 0.75 percent without limited maturity.

Opportunities

- Equity-linked participation in investment companies of renowned investors which follow a value oriented investment strategy.
- Transparent target-oriented index concept without limited maturities, with an annual review of the index.
- The selection of index members is carried out by the index provider Solactive AG
- Index-based diversification through mapping of at most 25 investment companies whose investment portfolio itself is already diversified to a huge extend.
- Tradable every trading day under normal trading conditions.
- No fixed term restriction.

Risks

- No capital protection: investors run the risk of losing their investment if the price of the underlying index worsens.
- The index performance substantially depends on the development of the listed holding companies and their investment portfolios. This means that an unfavourable development can lead to a fall in the value of the certificate.
- Investors bear the issuer risk and could lose their investment if the issuer files for bankruptcy.
- The issuer intends to ensure liquidity in normal market phases on trading days. However, investors should realize that they may not be able to buy /sell the product at any point in time.
- As the stocks included in the index may be listed in different currencies and the product does not have any currency hedges, the investor may also be exposed to an exchange rate risk, which may adversely affect the value of the product.
- The issuer has the right to terminate the product if certain conditions are met.

| Open End PERLES in EUR | |
|------------------------|--------------------------------------|
| Underlying | Solactive Value Investoren NTR Index |
| Conversion ratio | 1:1 |
| Management fee | 0.75% p.a. |
| Issue day | 18 March 2015 |
| Issue price | EUR 203.90 |
| ISIN | CH0272110369 |
| SIX Symbol | VALUEE |

| Open End PERLES in USD | |
|------------------------|--------------------------------------|
| Underlying | Solactive Value Investoren NTR Index |
| Conversion ratio | 1:1 |
| Management fee | 0.75% p.a. |
| Issue day | 18 March 2015 |
| Issue price | USD 162.05 |
| ISIN | CH0272110351 |
| SIX Symbol | VALUEU |

Investor profile

Solutions for investors with experience in stock market topics and structured products and with a medium to increased risk tolerance who would like to participate in the performance of the equities included in the index at little capital and administrative expense.

For other products and information on opportunities and risks visit: ubs.com/keyinvest

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