

# Global family businesses

**Families:** a success factor and return generator

## Open End PERLES on the Solactive Global Family Owned Companies Index

### Model for success

Many internationally successful companies are run by dedicated families that want to pass on a prosperous business to future generations. A recent UBS Global Research study shows that family-controlled companies have better long-term performance and profitability (source: "Q-Series - Why do Family-Controlled Public Companies Outperform? The Value of Disciplined Governance", April 13, 2015). The experts also discovered that share prices for family-owned companies were less volatile than their peers in global large cap indexes.

### Unearthing the secret to their success

UBS Global Research believes that more efficient governance and disciplined cost management are the main reasons why family-controlled companies outperform their peers. They are managed for the long-term, and not optimized to meet certain quarterly targets. Rigorous succession planning also plays a big role. The world's 500 largest family-owned companies are being run by the fourth generation on average. That builds trust for the future.

### Quiet champions in one package

The University of St. Gallen is also deeply interested in this subject. It even maintains a research and education center on family businesses. Together with the consulting firm Ernst & Young, the St. Gallen researchers have launched the Global Family Business Index comprising the world's 500 largest family-owned companies by sales. Listed and unlisted companies are treated differently, however. Listed companies only count as family-owned if one family holds at least 32 percent of their voting rights. In Switzerland, that criterion holds true for example for pharmaceutical giant Roche, logistics specialist Kühne + Nagel,

Sika AG and the Schindler Holding industrial group. There are large family-owned multinationals in other countries as well. They include Beiersdorf, Continental and Henkel in Germany, Inditex in Spain, and Ford Motor, Marriott International and Wal-Mart in the US.



### SSPA product type

Tracker certificates (1300)

Currency	Valor	SIX Symbol
CHF	30155290	FAMCHU
EUR	30155291	FAMEUU
USD	30155292	FAMUSU

[ubs.com/familienunternehmen](https://ubs.com/familienunternehmen)

### Ingenious index design

A multi-generational planning horizon should be particularly attractive to long-term investors. The only question is how to gain exposure. To meet this need, index provider Solactive launched the Solactive Global Family Owned Companies Net Total Return Index in September 2015.

The equity universe consists of the Global Family Business Index, which comprises the world's 500 largest family-owned companies by sales. Equities are only included in the index if they pass a systematic selection process. For example, when they are added to the index, they must have a minimum market capitalization of 1 billion US dollars and a minimum average daily trading volume of 10 million US dollars for the past three months. The index contains the 50 companies with the lowest 12-month volatility whereas each stock initially has a maximum weighting of 5%. The index members are weighted quarterly in January, April, July and October based on their inverse 12-month volatility. The US is the largest region in the index at 46.5%. Swiss companies account for 5.8%.

The index gives investors the opportunity to gain broadly diversified exposure to families as a success factor. The index's composition is dynamic and adapts to market events. Every April, Solactive AG reviews the Solactive Global Family Owned Companies Index, checking its composition and adjusting it as needed.

### Product solution

UBS Open End PERLES on the Solactive Global Family Owned Companies Index mirrors the performance of the underlying index, which reinvests any net dividends paid to the index members, after deducting a management fee of 0.75 percent p.a. with unlimited duration.

### Opportunities

- Equity-linked exposure to potential gains in the share prices of international family-run companies.
- Highly regarded University of St. Gallen provides the underlying universe.
- Designed, composed and calculated by Solactive AG, an experienced index provider.
- Index uses lowest volatility design.
- 50 index members ensure broad diversification.
- 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.
- 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. See the termsheet for details.

Open End PERLES in CHF	
Underlying	Solactive Global Family Owned Companies NTR CHF Index
Conversion ratio	1:1
Management fee	0.75% p.a.
Issue date	9 November 2015
Issue price	CHF 101.67
ISIN	CH0301552904
SIX Symbol	FAMCHU

Open End PERLES in EUR	
Underlying	Solactive Global Family Owned Companies NTR EUR Index
Conversion ratio	1:1
Management fee	0.75% p.a.
Issue date	9 November 2015
Issue price	EUR 109.14
ISIN	CH0301552912
SIX Symbol	FAMEUU

Open End PERLES in USD	
Underlying	Solactive Global Family Owned Companies NTR USD Index
Conversion ratio	1:1
Management fee	0.75% p.a.
Issue date	9 November 2015
Issue price	USD 104.89
Issue date	9 November 2015
ISIN	CH0301552920
SIX Symbol	FAMUSU

### 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 details on underlying constituents, up to date performance charts and information on opportunities and risks visit [ubs.com/keyinvest](https://ubs.com/keyinvest)

## Disclaimer

This material has been prepared by UBS AG or one of its affiliates ("UBS"). This material is for distribution only as permitted by law. It is not prepared for the needs of any specific recipient. It is published solely for information and is not a solicitation or offer to buy or sell any securities or related financial instruments ("Instruments"). UBS makes no representation or warranty, either express or implied, on the completeness or reliability of the information contained in this document ("Information") except that concerning UBS AG and its affiliates. The Information should not be regarded by recipients as a substitute for using their own judgment. Any opinions expressed in this material may change without notice and may be contrary to opinions expressed by other business areas of UBS as a result of using different assumptions or criteria. UBS is under no obligation to update the Information. UBS, its officers, employees or clients may have or have had an interest in the Instruments and may at any time transact in them. UBS may have or have had a relationship with entities referred to in the Information. Neither UBS nor any of its affiliates, or their officers or employees, accepts any liability for any loss arising from use of the Information.

This presentation is not a basis for entering into a transaction. Any transaction between you and UBS will be subject to the detailed provisions of the term sheet, confirmation or electronic matching systems relating to that transaction. Clients wishing to effect transactions should contact their local sales representative.

This information is communicated by UBS AG and/or its affiliates ("UBS"). \* (see below) UBS may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market in any securities, currencies, financial instruments or other assets underlying the product to which this [term sheet / document] relates (the "Structured Product"). UBS may provide investment banking and other services to and/or have officers who serve as directors of the companies referred to in this [term sheet / document]. UBS's trading and/or hedging activities related to the Structured Product may have an impact on the price of the underlying asset and may affect the likelihood that any relevant barrier or relevant trigger event is crossed or triggered. UBS has policies and procedures designed to minimise the risk that officers and employees are influenced by any conflicting interest or duty and that confidential information is improperly disclosed or made available. UBS may pay or receive brokerage or retrocession fees in connection with the Structured Product described herein. In respect of any Structured Product that is a security, UBS may, in certain circumstances, sell the Structured Product to dealers and other financial institutions at a discount to the issue price or rebate to them for their own account some proportion of the issue price. Further information is available on request. Structured Products are complex and may involve a high risk of loss. Prior to purchasing the Structured Product you should consult with your own legal, regulatory, tax, financial and accounting advisors to the extent you consider it necessary, and make your own investment, hedging and trading decisions (including decisions regarding the suitability of the Structured Product) based upon your own judgement and advice from those advisers you consider necessary. Save as otherwise expressly agreed in writing, UBS is not acting as your financial adviser or fiduciary in relation to the Product. UBS generally hedges its exposure to Structured Products, although it may elect not to hedge or to partially hedge any Structured Product. UBS's hedging activity may be conducted through transactions in the underlying asset, index or instrument or in options, futures or other derivatives related to the underlying asset, index or instrument on publicly traded markets or otherwise, and may have an impact on the price of the underlying asset. If a transaction is cash settled, UBS will generally unwind or offset any hedge it has for such Structured Product in close proximity to the relevant valuation time or period. In some cases, this activity may affect the value of the Structured Product. Unless stated otherwise in this document, (i) this document is for information purposes only and should not be construed as an offer, personal recommendation or solicitation to purchase the Structured Product and should not be treated as giving investment advice, and (ii) the terms of any investment in the Structured Product will be exclusively subject to the detailed provisions, including risk considerations, contained in the more detailed legal documentation that relates to the Structured Product (being the confirmation, information memorandum, prospectus or other issuer documentation as relevant). UBS makes no representation or warranty relating to any information herein which is derived from independent sources. This document shall not be copied or reproduced without UBS's prior written permission. In respect of any Structured Product that is a security, no action has been or will be taken in any jurisdiction that would permit a public offering of the Product, save where explicitly stated in the issuer documentation. The Structured Product must be sold in accordance with all applicable selling restrictions in the jurisdictions in which it is sold.

© UBS 2018. All rights reserved. UBS prohibits the forwarding of this information without the approval of UBS.

**UBS AG**

Public Distribution Switzerland  
P.O. Box, 8098 Zurich  
keyinvest@ubs.com

[ubs.com/keyinvest](https://ubs.com/keyinvest)

**Hotline +41-44-239 76 76\***

Institutional clients +41-44-239 14 66\*  
Intermediaries +41-44-239 77 60\*  
Wealth Management clients +41-44-239 68 00\*

\*Please note that calls to numbers marked with \* may be recorded. When you call these numbers, we assume that you consent to this business practice.

