

Quality dividends

Dividend-strong value equities with high standards

Open End PERLES on the UBS Global Quality Dividend Payers NTR Index

Investment idea: quality asserts itself

Quality asserts itself in the long term – even on the exchange. Following this basic principle, the UBS Global Quality Dividend Payers Index is banking on 30 selected value equities. This selection occurs quarterly from a global equity universe of more than 3,300 securities. The basic idea behind it is that an investment in selected quality equities should offer a more stable performance compared to the overall market.

Does an attractive dividend yield constitute a value equity?

Value equities are characterized by sustainably profitable business on the part of the respective corporation. Since flourishing companies as a rule distribute an attractive dividend to their shareholders when compared to their sector, a high dividend yield (ratio of dividend to the share price) is generally considered a strong indication of a value equity. Nonetheless, a high dividend yield should not serve separately as the sole selection criterion, because a high dividend yield can also be the result of a previously strong price loss and point to problems in business. In addition, telecommunications securities and utilities, for instance, traditionally boast a relatively high dividend yield, but are not necessarily among the equities with the strongest prospects for growth.

Refined filter process for higher hit rate

The UBS Global Quality Dividend Payers Index therefore provides more selection criteria than just an attractive dividend yield. In order to make the select circle of value-strong index members, each corporation, for instance, has to have a healthy balance sheet, an appealing return on equity as well as sustainable turnover and earnings growth. The set of rules defined by UBS Investment Bank Research also targets a balanced mix with regard to sector and country allocation.

For this, the index portfolio essentially follows the weighting of the much respected MSCI World Index, but on the basis of the assessments of UBS Investment Bank Research may deliberately deviate from this. In this way, on a quarterly basis the UBS



SSPA product type

Tracker certificates (1300)

Currency	Valor	SIX Symbol
CHF	18582861	DIVQC
EUR	18582862	DIVQE
USD	18582863	DIVQD

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Global Quality Dividend Payers Index becomes more strongly geared to those sectors and countries from which the experts expect above-average earnings momentum.

All filter criteria serve a single goal: the long-term prospects of the broadly diversified index portfolio are to be increased to above-average and stable performance. It goes without saying that the UBS Global Quality Dividend Payers Index pursues a net total return approach. That means that the potential dividends of the 30 value equities included are taken into account in the index performance.

The product solution

Open End PERLES on the UBS Global Quality Dividend Payers Index represent a cost-efficient and convenient option for participating permanently in the regularly adjusted and globally diversified quality index with just one transaction.

Opportunities

- Convenient: participation in the UBS Global Quality Dividend Payers Index with just a single transaction.
- Stability: participation in the UBS Global Quality Dividend Payers Index, which due to dividend-strong value equities should boast a more stable performance than the overall market.
- Diversification: the index portfolio is broadly structured with regard to both the sector and the country allocation.
- Expertise: the many years of experience of UBS Investment Bank Research, which has received numerous awards, are reflected in the multitiered equity selection.
- Dividend-strong: net dividends accrued from the corporations contained in the index are reinvested in the respective index.

Risiken

- No capital protection: investors bear the risk of losing the capital invested.
- The issuer intends to see to the liquidity in normal market phases on trading days (over the counter). The sale of a certificate, however, may not always be possible at any given time.
- No currency hedging: possible changes in the currencies in which the equities of the index members are traded against the trading currency of the respective certificate can have a negative impact on the certificate value.
- Systematic risk: the return performance depends on the respective market conditions.
- Each investor bears the general risk that the financial situation of the issuer may worsen. In the event that the issuer becomes insolvent, the products are direct, unsecured and subordinated liabilities of the issuer.

Open End PERLES in CHF

Underlying	UBS Global Quality Dividend Payers Index
Conversion ratio	1:1
Management fee	1.00% p.a.
Issue day	18 May 2012
Issue price	CHF 118.25
ISIN	CH0185828610
SIX Symbol	DIVQC

Open End PERLES in EUR

Underlying	UBS Global Quality Dividend Payers Index
Conversion ratio	1:1
Management fee	1.00% p.a.
Issue day	18 May 2012
Issue price	CHF 158.46
ISIN	CH0185828636
SIX Symbol	DIVQE

Open End PERLES in USD

Underlying	UBS Global Quality Dividend Payers Index
Conversion ratio	1:1
Management fee	1.00% p.a.
Issue day	18 May 2012
Issue price	CHF 156.71
ISIN	CH0185828628
SIX Symbol	DIVQD

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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