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News Release

UBS/PwC Billionaire report reveals female billionaires outpace males

Analysis shows fleeting nature of wealth with only 44% of billionaires from 1995 still billionaires today

- **The female billionaire population grew faster than their male billionaire peers, their number grew by a factor of 6.6 compared to a factor of 5.2 for men**
- **Female billionaires are driving their families' businesses. 57% in the US, 63% in Europe and 96% in Asia are active wealth creators**
- **The report shows a high attrition rate of billionaires. Only 44% or 126 of 1995's billionaires have prevailed over the last 20 years**
- **The prevailing billionaires, grew their assets from an average of USD 2.9 billion to USD 11 billion, outperforming both equity markets and global GDP**
- **Billionaires see regulation and tax as current key challenges to maintaining their legacy**
- **Sticking to the initial family business, establishing strong governance and a clear family identity/culture are critical to building lasting legacies**

Zurich, 15 December 2015 – UBS Group AG and PwC today launched their joint deep dive report, "The changing faces of billionaires," which explores the role of women in building lasting financial legacies and how wealth is preserved across multiple generations.

The report's findings, which build upon UBS/PwC's 2015 Billionaires Report released last May, "Master architects of great wealth and lasting legacies," revealed that the number of female billionaires is growing faster than the number of their male counterparts. Women have been controlling greater average wealth than men and becoming more influential in family businesses, philanthropic enterprises and governance. The report also highlights the fleeting nature of great wealth, finding that only 126 billionaires or 44% of the class of 1995 are billionaires today. It underscores the strategies these prevailing billionaires have employed to build and preserve lasting legacies.

Commenting on the report Josef Stadler, Head Global Ultra High Net Worth, UBS said:

"The rise of female and Asian billionaires over the last two decades is creating an entirely new billionaire demographic, and I see no signs of slowing. While there is no such thing as a typical billionaire, virtually all are focused on building a lasting legacy for future generations. Achieving this goal increasingly requires strategic thought and long-term planning.

Michael Spellacy, Global Wealth Leader at PwC US:

"The report suggests that we need to revisit the old saying 'The first generation builds the business, the second makes it a success, and the third wrecks it'. Our findings reveal that it is in fact the second generation that all too often undermines the value of the business the first generation created. To prevent this, business decisions must move from the kitchen table to the board room."

The 'Athena' Factor

The number of female billionaires is growing faster than male billionaires – multiplying by 6.6x over the last two decades compared to 5.2x for men, with Asian female entrepreneurs standing out as the main driver of this development. Asia has seen the strongest growth of female billionaires in the past 10 years, their numbers grew by a factor of 8.3 from only 3 to 25 today. This compares to a growth factor of 2.7 (from 21 to 57) in Europe and 1.7 or 37 to 63 in the US.

Female billionaires in Asia make up almost one fifth of the global female billionaire population and generally are younger than their global counterparts. By contrast, in Europe and America, females are mostly multi-generational billionaires (93% Europe, 81% US); however, they are also playing much stronger roles than previous generations within their families.

The volatility of Great Wealth

The report shows that great wealth is very volatile, more than half of the billionaires of 1995 dropped out of the list over the last 20 years. But those who prevailed greatly increased their wealth. Consumer & Retail, Technology and Financial Services are the dominant industries, making up for two-thirds of the total wealth of the lasting billionaires today. The Technology sector in particular is home to the most enduring billionaires while Industrials, Real Estate and Health Industries are sectors where billionaire wealth is more fleeting.

In 1995, the report counted 289 billionaires. From this group of billionaires, only 126 remain today while the others have dropped off the billionaire list due to death, family dilution or business failures. Over the same period, 1,221 new billionaires were created bringing the total number to 1347 billionaires in 2014.

The 126 prevailing billionaires have created US\$1 trillion of wealth, approximately 21% of that produced by our entire global billionaire population over the period. By 2014, the average wealth of the remaining billionaires had grown their average wealth to \$11bn from \$2.9bn in 1995, multiplying their assets by a factor of 3.8 and outperforming global GDP growth of just 2.5.

Our research and analysis consistently identified three personality traits as essential to entrepreneurial success for both genders – smart risk taking, 'obsessive' business focus and dogged determination.

Making wealth last

Our report found that the majority of multi-generational billionaires created lasting legacies by keeping the initial business entirely or parts of it. The industry sector often dictates the degree to which one keeps the original business. For instance, the best wealth preservation strategy for billionaires that made their fortune in the Consumer and Retail sector is to maintain control of the original business as a value driver. Finance billionaires, on the other hand, are best served by a combination of retaining the original business and adopting a hybrid strategy.

Two-thirds of billionaires are over 60 years' of age and face critical wealth transfer decisions. Over three quarters of current billionaires have two or more children. To avoid wealth dilution as the next generation and subsequent generations grow larger, a clear wealth preservation strategy is required to ensure the creation of long term lasting legacies.

Protecting billionaires' legacies also requires coping with outside forces. Anti-wealth sentiment in politics, growing taxes and increasingly stringent global regulations pose the biggest threats to billionaires' wealth, topping their list of concerns over potential economic crises, and demonstrating the importance of robust tax and legal capabilities to manage these challenges.

As part of this, the report shows that clear governance structures are necessary to preserve and grow wealth through future generations. To ensure long-term success, managerial competence must override family ties; however, maintaining a strong identity has proven material to long-lasting billionaire family dynasties. This,

together with establishing strong governance and a well-resourced family office, is a key factor in building lasting legacies.

To find out more, we invite you to read the full report here: www.ubs.com/billionaires

Methodology

The survey of over 1,300 billionaires analyses data from the last 19 years across the 14 largest billionaire markets, accounting for 75% of global billionaire wealth.

A number of sources were utilized to research and profile the characteristics of wealthy individuals. These were blended into a mosaic analytical framework from which we conducted extensive modelling and analysis. This information and data is part of PwC proprietary data and analytics structures and are non-commercial in nature and specifically non-attributable regarding the identity of any underlying individual or family.

PwC acts as a supplier of data and analysis for the purpose of this report. In addition the following were specifically leveraged as a part of our research:

- PwC has a significant body of research drawn from publishing studies on Wealth and Private Banking, and Family Businesses including current and future perspectives on a number of industries from which we were able to derive insights. These include The Global Private Banking and Wealth Management Survey (2013, 2011, 2009), and the Asset Management 2020, A Brave New World (2014), Family Business Survey: Up Close and Professional (2014) and from our network firms Strategy&: Leveraging an untapped Talent Pool (2014) and INTES: Nachfolge in Familienunternehmen (2015). Further, UBS' body of research and insights in Wealth Management were leveraged. This includes The Global Family Office Report (2015).
- Other analysis is based on our proprietary PwC databases which covers non-client specific detailed bottom-up data on more than 1,300 billionaires from the US, Germany, UK, France, Switzerland, Turkey, Italy, Spain, China, India, Hong Kong, Japan, Singapore, Russia. This is a private non-commercial data structure designed to support analysis of specific market segments.
- Specific interviews with a number of billionaires in various geographies were conducted exclusively by PwC and the information from those qualitative discussions were incorporated on a non-attributable basis without regard to any business /client relationship with any person, firm or organization.

About UBS

UBS is committed to providing private, institutional and corporate clients worldwide, as well as retail clients in Switzerland, with superior financial advice and solutions while generating attractive and sustainable returns for shareholders. Its strategy centers on its Wealth Management and Wealth Management Americas businesses and its leading universal bank in Switzerland, complemented by its Asset Management business and its Investment Bank. These businesses share three key characteristics: they benefit from a strong competitive position in their targeted markets, are capital-efficient, and offer a superior structural growth and profitability outlook. UBS's strategy builds on the strengths of all of its businesses and focuses its efforts on areas in which it excels, while seeking to capitalize on the compelling growth prospects in the businesses and regions in which it operates. Capital strength is the foundation of its success.

UBS is present in all major financial centers worldwide. It has offices in more than 50 countries, with about 35% of its employees working in the Americas, 36% in Switzerland, 17% in the rest of Europe, the Middle East and Africa and 12% in Asia Pacific. UBS Group AG employs about 60,000 people around the world. Its shares are listed on the SIX Swiss Exchange and the New York Stock Exchange (NYSE).

About PwC

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 157 countries with more than 208,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details

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