



For Professional Investors in Switzerland or Professional Investors as defined by the relevant laws

## UBAM – SWISS EQUITY

**Generating long-term performance by investing in high-quality Swiss companies offering visible superior growth**

UBAM - Swiss Equity is an actively-managed fund that offers investors access to the growth potential of Switzerland, a market that has traditionally been dominated by passive strategies. Our experienced investment team builds a concentrated portfolio of its highest-conviction investment ideas.

### Key points

- *Lipper Fund Awards Europe: Best Swiss Equity Fund over 10 years (2014–2018) and over 3 and 5 years (2013–2016)*
- *Lipper Fund Awards Austria: Best Swiss Equity Fund over 5 and 10 years (2017, 2018) and over 10 years (2017, 2018, 2019)*
- *Concentrated portfolio of the investment team's best convictions*
- *Stable and experienced management team*

### Investment case

Switzerland has a long-standing record of macroeconomic, political and social stability. This is reflected in the quality of its corporate sector, which includes global leaders in several sectors namely niche industries and mission-critical technologies and products. Switzerland is home to some of the world's best-known luxury brands and high-quality companies in defensive sectors such as food and pharmaceuticals. The country's largest listed companies generate at least 60% of their sales abroad (significantly higher ex financials) and they have a particularly strong presence in emerging markets.

Swiss equities have outperformed global equities since 1998 (in CHF) and exhibited lower volatility than Eurozone equities. Despite its small size, Switzerland punches above its weight when it comes to the market capitalisation and the quality of its companies. At European level, Swiss companies account for approximately one quarter of the allocation in the Stoxx 50 Europe Index, ahead of Germany and behind only the UK. At global level, Switzerland accounts for 3% of the MSCI All Country World Index, the fifth-largest weighting behind the US, Japan, the UK and China.

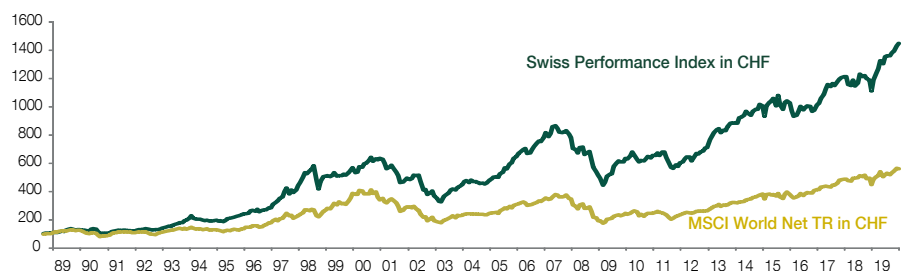
### Fund concept

UBAM - Swiss Equity is a high-quality, actively-managed Swiss equity sub-fund that consists of the investment team's highest-conviction investment ideas. The investment team seeks to exploit the bottom-up and top-down opportunities in the Swiss market and combine their in-depth knowledge of the local environment with their understanding of global drivers to optimise stock selection. The Cash Flow Return on Investment (CFROI®) life cycle framework is at the base of the team's fundamental company valuation approach. The team seeks to identify three particular types of stocks: "growing" companies' stocks whose potential is underestimated by the market, companies generating consistently high CFROI®s able to 'beat the fade' in returns over time, and "turnaround" companies able to restructure in difficult times.

The fund can invest up to 15% of its assets in non-Swiss stocks to compensate for underweights in index heavyweights enforced by the Luxembourg legislation.

### The SPI has outperformed the MSCI World over the last 20 years

SPI Index vs. MSCI World NR Index (in CHF)



## Investment process

- The bottom-up analysis involves detailed fundamental and quantitative research including ESG criteria, and regular company meetings. The team seeks to identify long-term return potential which is not yet reflected in valuations, by understanding the competitive advantages and management capabilities of each company.
- The top-down perspective gained from meeting with external and internal strategists and macroeconomists allows the team to position the portfolio according to market conditions.
- Portfolio construction is based on the team's assessment of company prospects, catalysts and risks, and contribution to tracking error.
- Risk management takes into account portfolio beta, tracking error and stock intercorrelations.
- Portfolio tracking error is actively managed i.e. the team varies the amount of risk taken according to their view of the market environment and opportunity set.

## Investment guidelines

- Benchmark: Swiss Performance Index (SPI)
- Typical number of stocks: 35–55
- Maximum stock weight: 10%
- Typical cash position: 1–5%

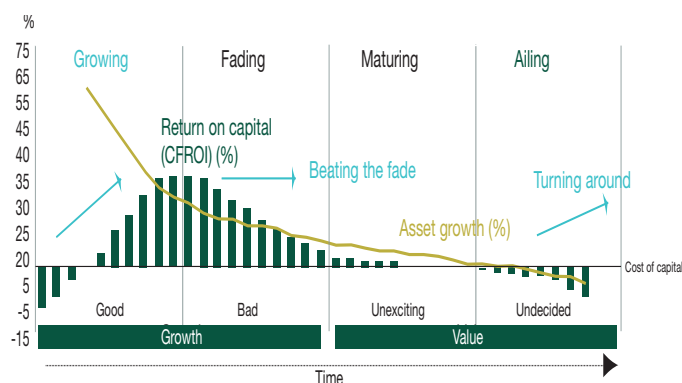
## Investment team

- The team of four dedicated portfolio managers combine over 50 years of experience in financial markets and make full use of UBP's global research resources of over 40 investment professionals
- The fund is managed by Eleanor Taylor Jolidon, Co-Head of UBP's Swiss and Global Equity team based in Geneva, and Martin Moeller, the other co-Head, acts as deputy manager

## General information

Name	UBAM - Swiss Equity	
Legal form	Sub-fund of UBAM, Luxembourg-domiciled SICAV, UCITS	
Base currency	CHF	
Currency-hedged share classes	CHF, EUR, USD, GBP, SEK	
Cut-off time	13:00 (LU time)	
Inception date <sup>1</sup>	30.06.2006	
Minimum investment	None	
Liquidity	Daily	
Applicable management fee <sup>2</sup>	AC CHF: 1.00% IC CHF: 0.65%	UC CHF: 0.65% IPC CHF: 0.45%
Performance fee <sup>3</sup>	15% above SPI (applicable only to P shares)	

## The CFROI® life cycle



Sources: UBP, @Credit Suisse Holt  
Past performance is not indicative of future results

## SRRI



The SRRI (Synthetic Risk and Reward Indicator) relates to the IC CHF share class LU0132668087 as of 19.02.2020 and may differ for other share classes of the same fund.

This indicator represents the fund's annual historical volatility. The level assigned reflects the risk/return profile: 1: lowest; 2: low; 3: limited; 4: average/moderate; 5: high; 6: very high; 7: highest.

Historical data such as that used to calculate the SRRI cannot be considered a reliable indication of the fund's future risk profile. The risk category associated with the fund is not guaranteed and may change over time.

Registered countries <sup>4</sup>	AT, CH, CL, DE, ES, FI, FR, IT, LU, NL, NO, SE, SG, UK
ISIN	AC CHF: LU0073503921 UC CHF: LU0862308441 IC CHF: LU0132668087 IPC CHF: LU1861475538
Bloomberg ticker	AC CHF: UBSSWEQ LX; IC CHF: UBSSWIC LX
Investment manager	Union Bancaire Privée, UBP SA
Depository bank	BNP Paribas Securities Services, Luxembourg Branch
Administrator	CACEIS Bank, Luxembourg Branch

<sup>1</sup>The inception date is the date on which Martin Moeller joined the team and took over the management of the fund.

<sup>2</sup>Only the main share classes are mentioned. Available share classes include A: Standard; I: Institutional; U: No entitlement to retrocessions / RDR-compliant; C: Capitalisation; P: Performance-fee. Others are available.

<sup>3</sup>The Fund aims to outperform the Swiss Performance Index (the "Benchmark"). The Benchmark is not representative of the Fund's risk profile and the portfolio's investments will deviate materially from the Benchmark.

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