



For Swiss Qualified Investors only

UBAM (CH) – SWISS SMALL AND MID CAP EQUITY

Accessing global growth opportunities through high-quality Swiss small and mid (SMID) cap stocks

UBAM (CH) - Swiss Small and Mid Cap Equity is an actively-managed Swiss contractual fund investing in a concentrated portfolio of the investment team's high-conviction ideas in the Swiss non-large cap space. Those companies tend to have globally-exposed revenue streams, manufacture high value-added products and/or occupy specialised market segments in which they are often leaders.

Key points

- *Swiss SMID caps offer exposure to global growth through solid, well-managed companies with high value-added products and services*
- *Investing in Swiss equities across the CFROI® life cycle, i.e. in a mix of growing, fade-beating and turnaround companies*
- *High-conviction, concentrated portfolio of the team's best ideas in a market with compelling opportunities for talented stock pickers*
- *Stable and experienced team managing Swiss equities since 2006*

Investment case

Swiss companies are known for being large globally-dominant firms – often household names in their industry. But the Swiss SMID-cap space also contains market-leading companies, generally catering to more niche industry segments globally.

The SPI Extra (the Swiss SMID-cap index) has demonstrated strong long-term returns, driven by generally higher underlying growth rates, while both the SPI and the SPI Extra have delivered significantly higher returns than global equity markets. The SPI Extra contains all Swiss-listed stocks excluding the 20 largest ones (which constitute the SMI) and is well-diversified from both a stock and a sector perspective.

Fund concept

UBAM (CH) - Swiss Small and Mid Cap Equity is a concentrated portfolio of 45–65 positions of the team's highest-conviction SMID-cap names. The team aims to identify leading companies in terms of value creation along the Cash Flow Return on Investment (CFROI®) life cycle. The CFROI® life cycle framework is at the base of the team's fundamental company valuation approach.

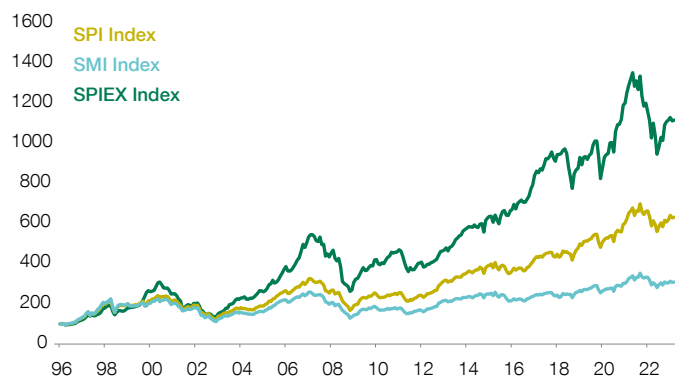
The approach is to identify three particular types of stocks: “growing” companies' stocks whose potential is underestimated by the market, companies generating consistently high CFROI®s able to “beat the fade” in returns over time, and “turnaround” companies able to restructure in difficult times. The fund aims to outperform the SPI Extra, driven by a bottom-up approach with active management of the portfolio tracking error, which generally ranges between 4% and 8%.

Investment team

- The team of four dedicated portfolio managers combines over 50 years of experience in financial markets and makes 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 & Global Equity team based in Geneva, and Bettina Baur, Senior Portfolio Manager

*Source: ©Credit Suisse HOLT

Absolute and relative long-term returns for Swiss SMID caps



Sources: UBP, Bloomberg Finance L.P. as of 30.06.2023
Past performance is not indicative of future results

The sub-fund's objective is to achieve medium-term, superior returns relative to the market shares of Swiss SMID-cap companies as measured by the SPI Extra® (small and medium-sized enterprises).

Swiss indices comparison

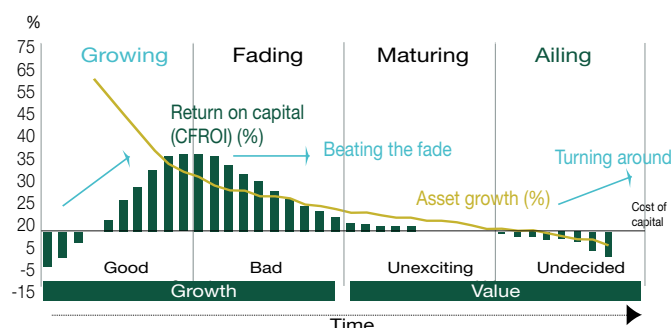
SPI	SMI	SPI Extra
Swiss Performance Index	Swiss Market Index	Swiss Performance Index Extra
Swiss all-cap index	Swiss large-cap index	Swiss small & mid-cap index
All Swiss listed companies	20 large Swiss companies	SPI excluding SMI
Total return index	Price index	Total return index
~220 names	20 names	~200 names

0%	40%	60%	80%	100%
SPI				
SMI				SPI Extra
Nestlé	Roche	Novartis	Others	

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 meetings 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.

The CFROI® life cycle



Sources: UBP, ©Credit Suisse HOLT
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Investment guidelines*

- Benchmark: SPI Extra
- Typical number of stocks: 45–65
- Typical cash position: 0–5%

Main risks

Counterparty, ESG & Sustainability, Liquidity.

Please refer to the prospectus for more detailed information on the specific and material risks relevant to the Fund. This Fund does not include any protection from future market performance, so you could lose some or all of your investment.

General information

Name ¹	UBAM (CH) - Swiss Small and Mid Cap Equity
Legal form	Sub-fund of UBAM (CH) Swiss contractual fund
Base currency	CHF
Currency-hedged share classes	None
Cut-off time	12:00 (CH time)
Inception date ¹	30.06.2015
Minimum investment	1 share
Liquidity	Daily
Applicable management fee ²	AD: 1.40% ID: 0.90%
Registered countries	CH

ISIN	AD CHF: CH0117983723 ID CHF: CH0117983848
Bloomberg ticker	AD CHF: USEXECA SW ID CHF: USEXECI SW
Investment manager	Union Bancaire Privée, UBP SA
Depository bank	Banque Cantonale Vaudoise
Administrator	Gérfonds SA

¹Formerly UBAM (CH) - Swiss Excellence Equity. On 30.06.2015 the Fund's strategy changed to Swiss small and mid caps and the benchmark to SPI Extra.

²Available share classes include A: Standard; I: Institutional; D: Distribution.

*All portfolio exposures indicated are as measured at the time of investment, unless otherwise specified. While UBP generally expects to adhere to those exposures under normal market conditions, they are targets and not investment restrictions. UBP may amend them at any time and in any manner which it believes is consistent with its overall investment objective in response to market conditions or other factors without notice to investors.

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