

For Qualified Investors in Switzerland, or Professional Investors or Eligible Counterparties as defined by the relevant laws

UBAM - ADAMS US SMALL CAP EQUITY

A risk-adjusted core approach to invest in the very dynamic and nimble US small caps

UBAM - Adams US Small Cap Equity is a US-focused fund using a systematic investment process with multiple layers of fundamental analysis: evaluation, market analysis and fundamental company research. The fund maintains sector and industry group neutrality.

Key points

- ◆ *All-climate strategy providing core exposure to US small caps*
- ◆ *Disciplined and systematic approach combining the best of systematic and fundamental research*
- ◆ *Strong portfolio construction maintaining sector and industry group neutrality in order to limit unintended risks*
- ◆ *Well-established process: the team has successfully run the strategy for nine years (2005–2013), outperforming in 25 out of 36 quarters*
- ◆ *The small-cap universe is less well covered and provides more market inefficiencies for seasoned investors whose in-depth research can make the difference*

Investment case

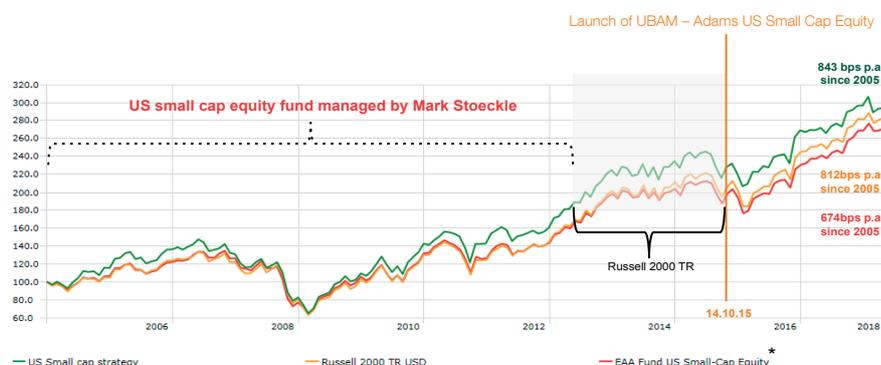
US small caps offer diversification to any portfolio with a US equity allocation.

The small-cap market index, the Russell 2000, is also less correlated to the main indices. Small caps have distinct risk/return characteristics that can enhance returns over time. Small caps are also more nimble and quicker to adjust their strategies in response to market changes than larger companies. Often in the hands of their founders or a narrow group of managers, smaller companies are managed to create value for their shareholders. Brokerage firms cover small companies less extensively, increasing the possibility of market inefficiencies.

Fund concept

UBAM - Adams US Small Cap Equity is a diversified portfolio of small-cap stocks based on the combination of a quantitative model and fundamental research. The process overlays control measures and limits sector, industry, and individual stock weights. The team uses the quant model to narrow the focus and then apply fundamental analysis. The fund benefits from the leverage that comes from the model's view over the entire market while adding value with the depth of fundamental research on the names that will be selected for the portfolio.

US smaller companies still lagging behind their large-cap counterparts



From 01.01.2005 to 14.05.2013, the composite reflects the US Small Cap Equity strategy managed by Mark Stoeckle.

From 14.05.2013 to 14.10.2015, the composite reflects the Russell 2000 performance. From 14.10.2015, the positioning corresponds to the UBAM – Adams US Small Cap Equity.

Sources: UBP, Morningstar as at 30.04.2018

*Refers to the Morningstar Peer Group: "EAA" stands for "Europe Africa Asia" as geographic region of the peer group.

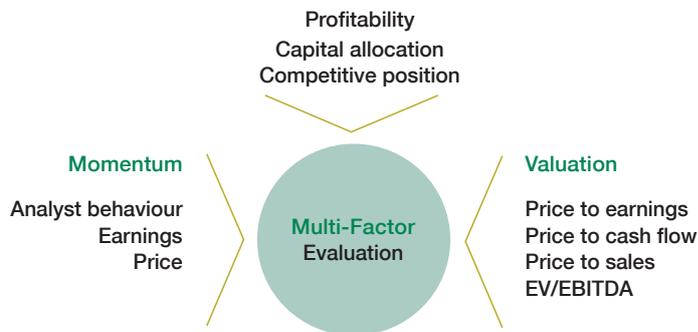
Past performance is not indicative of future results.



Investment process

A disciplined approach:

- ◆ Stock selection begins with systematic evaluation of each stock in the Russell 2000 using a multi-factor model focused on key fundamental variables.
- ◆ Macroeconomic, social and political factors are analysed, including valuation spreads and equity risk premiums which can impact stock suitability.
- ◆ Fundamental research looks for strong earnings potential and quality, cash flow, balance sheet, ability to self-finance, and competitive position.
- ◆ Selected stocks are placed into risk buckets based on price volatility and beta, and sectors and industry groups are kept close to neutral.



Investment guidelines

- ◆ Benchmark: Russell 2000 Total Return; the fund is benchmark-aware, not benchmark-driven
- ◆ Number of holdings: approximately 120 stocks
- ◆ Target excess return: 4% p.a.
- ◆ Maximum single stock weight: 1.5%
- ◆ Sector-neutral
- ◆ Low tracking error and high active share

Investment team

- ◆ Portfolio managers Mark Stoeckle and Jim Haynie of Adams Funds, LLC have worked together since 1996. They came from BNP PIP, where they served as CIOs for US equities.
- ◆ The 6-strong research team with an average of 18 years' experience conducts fundamental analysis on stocks.

General information

Fund name	UBAM
Sub-fund name	UBAM - Adams US Small Cap Equity
Legal form of the fund	Luxembourg-incorporated umbrella SICAV, UCITS
Launch date	14 October 2015
Bid/offer price	NAV (subscription in amount)
Currency	USD (EUR/CHF/GBP/SEK)
Subscription/redemption	Daily
Management fee	A: 1.50%; I: 1.00%; R: 2.50%
Management company	UBP Asset Management (Europe) S.A.

Main Risks



SRRI relates to the IC USD share class LU1273967528 as of 31.01.2019. This indicator represents the annual historical volatility of the fund. Risk category reflects level of risk and return profile: 1 lowest; 2 low; 3 limited; 4 average/moderate; 5 high; 6 very high; 7 highest risk. Historical data such as that used to calculate the synthetic indicator cannot be considered as 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.

Investment manager	Union Bancaire Privée, UBP SA, Geneva
Administrator	CACEIS Bank Luxembourg S.A.
Registrar/transfer agent	CACEIS Bank Luxembourg S.A.
Custodian	BNP Paribas Securities Services Luxembourg
Auditor	Deloitte Audit S.à.r.l., Luxembourg
Countries where distribution is authorised	AT, BE, CH, DE, ES, FI, FR, IT, LU, NL, PT, SE, UK
ISIN	AC USD: LU1273966553; IC USD: LU1273967528 RC USD LU1273969573

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