



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

## UBAM – MULTIFUNDS ALTERNATIVE

A high-conviction portfolio giving access to top managers within the alternative UCITS universe

### Key points titre

- *Absolute return solution acting as a complement to a traditional fixed income portfolio given expectations of a rising yield environment*
- *Diversified portfolio of over 10 names selected from UBP's Approved List of Alternative UCITS funds*
- *Controlled beta to equities, moderate volatility budget*
- *UCITS, weekly liquidity*

### Investment team

- UBP alternative investments team of more than 10 professionals from research to risk monitoring
- Portfolio Manager is industry veteran Robert Houry
- Long track record in managing portfolios of alternative funds, both multi-strategy and thematic
- Strong and rigorous risk management process

### Investment case: providing alternatives to traditional bonds as a source of yield

- With current yields at historical lows, investors find it challenging to extract a satisfying level of steady income from traditional fixed income instruments.
- This market regime is expected to last, with increased interest rate volatility ahead due to a new rising rate cycle in the US and quantitative easing ending in some other regions like Europe.
- In that context, an increasing number of bond investors are looking for additional sources of yield to complement their fixed income portfolios.
- UBAM - Multifunds Alternative is a multi-strategy, absolute return portfolio invested in high-conviction names within the Alternative UCITS universe. It combines the risk-adjusted benefits of alternative funds with the increased investment comfort provided by the UCITS framework. Its volatility budget is similar to that of traditional fixed income instruments.

### Investment process

- **Top-down** | building conviction with superior information
  - Macro scenarios (main and alternative scenarios)
  - Market fundamentals (relative valuations)
  - Market dynamics (flows, concentration, signals, targets)
- **Bottom-up** | sourcing skills
  - Source, analyse and access top hedge fund managers
  - Identify the best managers in a wide variety of strategies, taking into account regulatory requirements
- **Risk management** | embedded in all processes
  - Anticipate and prepare for alternative market scenarios
  - Proactively address market and strategy risks
- **Operations**
  - Obtain the best possible terms with underlying managers
  - Retain the best providers and limit overall costs
- **UBP's alternative investment resources**
  - 20+ people dedicated to alternatives
  - High-quality manager selection, portfolio management, and client service
  - Approved List of approximately 40 alternative UCITS funds



Source: UBP. For illustration purposes only. The Fund is not managed in reference to a benchmark. Past performance is not indicative of future results.

## Fund concept

### Portfolio guidelines

- Absolute return portfolio acting as an alternative or complement to traditional fixed income
- High-conviction book reflecting our market views and invested in over 10 single alternative UCITS
- Risk-adjusted product targeting
  - (i) controlled and limited beta to equities (between 0.0 and 0.2) and
  - (ii) medium volatility budget (max. 5%)

### Regulated format

Weekly liquidity - Strong governance and asset control - Reinforced risk management - Enhanced transparency

## SRRI



The SRRI (Synthetic Risk and Reward Indicator) relates to the IC EUR share class LU1044380597 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.

**Currency risk:** The Fund invests in overseas markets. It can be affected by changes in exchange rates which may cause the value of your investment to decrease or increase.

**Liquidity risk:** Liquidity risk exists when particular investments are difficult to purchase or sell. This can reduce the Fund's returns because the Fund may be unable to transact at advantageous times or prices.

**Counterparty risk:** As the Fund uses over-the-counter derivatives, there is a risk that the counterparty to the transactions will wholly or partially fail to honour its contractual obligations. This may result in a financial loss to the Fund.

## General information (institutional share class IC)

Name	UBAM - Multifunds Alternative
Legal form	Sub-fund of UBAM, Luxembourg-incorporated SICAV, UCITS
Base currency	USD
Hedged share classes	CHF, GBP, SEK
NAV frequency	Weekly
Inception date <sup>1</sup>	11.07.2014
Subscription/Redemption	Weekly (Friday), with 5 business days' notice
Fee structure (main share classes) <sup>2</sup>	0.80%
Registered countries <sup>3</sup>	BE, CH, DE, ES, IT, LU, NL, PT, SG, UK

## Risk management process (operational due diligence)

- **Core philosophy** Our understanding of inherent risks and controls for each investment fund results from our thorough analysis of investment and non-investment risks
- **Approach** Extensive pre-investment review process, including mandatory onsite manager visits
- **Investment risks** Complexity of strategy - Risk limits - Leverage and liquidity - Risk systems and measurement - Risk oversight
- **Non-investment risks** Business structure and resources - Counterparty risk management - Middle office processes - Cash controls and movements - Valuation practices and NAV control - Regulatory compliance - Information technology and BCP - Service providers and their expertise

## Portfolio construction

Portfolio built around three return drivers in order to deliver uncorrelated returns

Return drivers	Underlying strategies
<b>Alpha</b>	Managers with a moderate to neutral net market exposure: Relative Value, L/S Equity Market Neutral
<b>Trading</b>	Managers with strong trading skills: Discretionary Global Macro, CTA, L/S Equity with a trading bias
<b>Fundamental Value</b>	Fundamental managers seeking to exploit valuation opportunities

  

<ul style="list-style-type: none"> <li>- Key person</li> <li>- Capital stability</li> <li>- Reputation</li> <li>- Alignment of interests</li> <li>- Governance</li> </ul>		<ul style="list-style-type: none"> <li>- Market</li> <li>- Liquidity</li> <li>- Leverage</li> <li>- Model failure</li> <li>- Diversification</li> </ul>
<ul style="list-style-type: none"> <li>- Legal/regulatory</li> <li>- Financing stability</li> <li>- Concentration</li> <li>- Documentation</li> </ul>		<ul style="list-style-type: none"> <li>- Fraud prevention</li> <li>- Controls/process</li> <li>- Technology and systems</li> </ul>

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