

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

## UBAM - SWISS SMALL AND MID CAP EQUITY

### Accessing global growth opportunities through high-quality Swiss small- and mid-cap stocks

UBAM - Swiss Small and Mid Cap Equity is 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 small and mid caps offer exposure to global growth through solid, well-managed companies with high value-added products and services*
- ◆ *High-conviction, concentrated portfolio of the team's best ideas in a market with compelling opportunities for talented stock-pickers*
- ◆ *Lipper Fund Awards Europe: UBAM Swiss Equity Best Swiss Equity Fund over 10 years (2014 to 2017) and over 3 and 5 years (2013 to 2016)*
- ◆ *Lipper Fund Awards Austria: UBAM Swiss Equity Best Swiss Equity Fund over 5 years (2017) and over 5 and 10 years (2018)*

#### Investment case

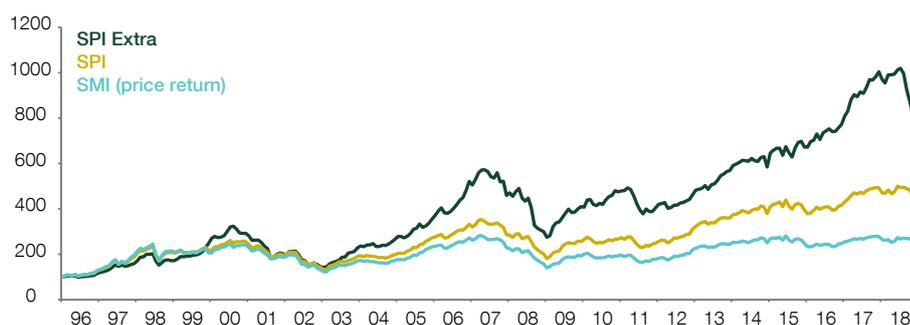
Swiss companies are known for being large globally-dominant firms—often household names in their industry. But the Swiss small- and mid-cap space also contains market-leading companies, generally catering to more niche global industry segments. They tend to be operationally efficient, due to a persistently strong Swiss franc forcing them to focus on competitive advantages, and dedicated to generating good stakeholder value, as a result of a strong culture of investing in domestic equities which rewards disciplined management.

Consequently, the SPI Extra (the Swiss small- and mid-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 - Swiss Small and Mid Cap Equity is a relatively concentrated portfolio – 30–40 positions – of the team's highest-conviction small- and mid-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 team seeks to identify three particular types of stocks: "growing" companies' stocks whose potential is underestimated by the market, companies generating consistently high CFROIs 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 portfolio tracking error, generally ranging between 4% and 8%.

#### Strong absolute and relative long-term returns for Swiss small and mid-caps

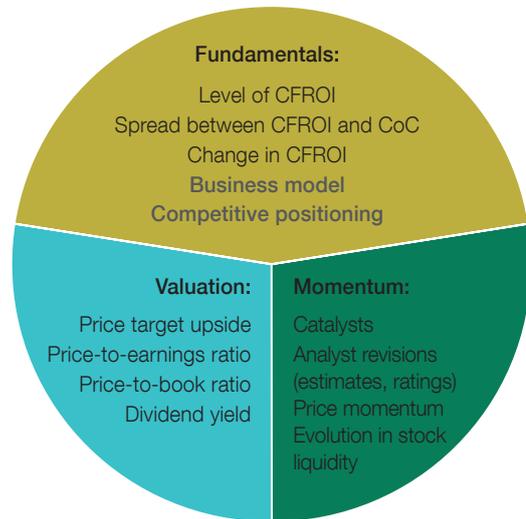


Sources: UBP, Bloomberg Finance L.P. as of 31.12.2018  
Past performance is not indicative of future results



## Investment process

- Bottom-up analysis involves detailed research, both fundamental and quantitative including ESG criteria, and regular company meetings. The team targets potential long-term returns which are not yet reflected in valuations, by understanding the competitive advantages and management capabilities of each company.
- Top-down perspective gained from meeting with external and internal strategists meetings 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 interactions.
- Portfolio tracking error is actively managed i.e. the team varies the amount of risk taken according to the view of the market environment and opportunity set.



## Investment guidelines

- Benchmark: SPI Extra
- Typical number of stocks: 35–55
- Maximum stock weight: 10%
- Typical cash position: 0–5%

## Investment team

- A team of five investment professionals with over 50 years' combined experience in financial markets
- The fund is managed by Eleanor Taylor Jolidon, Co-Head of UBP's Swiss and Global Equity team based in Geneva, and Bettina Baur, PM, acts as deputy manager
- Strong track record since inception in July 2015
- Same investment team behind UBAM - Swiss Equity, Best Swiss Equity Fund over 3 and 5 years (2013 to 2016) and over 10 years (2014 to 2018) at the Lipper Fund Awards

## General information

Fund name	UBAM
Sub-fund name	UBAM - Swiss Small and Mid Cap Equity
Legal form of the fund	Luxembourg-incorporated umbrella SICAV, UCITS
Launch date	10 July 2015
Bid/offer price	NAV
Currency	CHF (USD/EUR/GBP/SEK)
Subscription/redemption	Daily
Management fee	A: 1.00%; I: 0.65%; AP: 0.65%; IP: 0.40%
Performance fee	A/I: none; AP/IP: 20% above SPI Extra
Management company	UBP Asset Management (Europe) S.A.

## Main risks

With lower risk,							With higher risk,	
← potentially lower rewards							potentially higher rewards →	
1	2	3	4	5	6	7		

The Synthetic Risk and Reward Indicator (SRRI) relates to the IC CHF share class LU1088705832 as at 31.01.2019. This indicator represents the annual historical volatility of the fund.

The risk category reflects the risk/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 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.

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	LU	
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	APC CHF: LU1088704785	IPC CHF: LU1088707291

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## Union Bancaire Privée, UBP SA

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