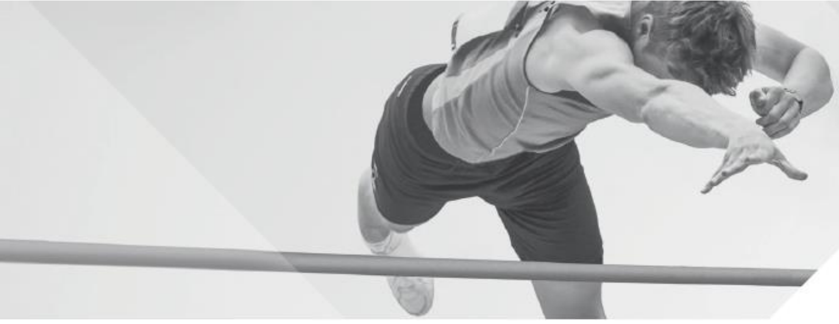

THE DRIVE YOU DEMAND

UBAM – US EQUITY GROWTH

Quarterly Comment | Q4 2019

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

UBP Asset Management LLC (the “Manager”), a U.S. based subsidiary of Union Bancaire Privée, UBP SA, serves as the Investment Manager to UBAM – US Equity Growth.

Market Comment

- The S&P 500 N.R. finished the quarter in positive territories with +8.91% performance at the end of December. Growth has been outperforming blend stocks this quarter with a performance of +10.52%. Value delivered a positive performance as well over the same period with +7.20%. Small caps were outperforming larger capitalization, delivering +9.82% for the quarter. Sector wise, Health Care with +13.94%, Information Technology with 13.92% and Financials with 8.51% have been outstanding. Real Estate delivered the worst sector performance with -1.08%, followed by Utilities with -0.28% and Consumer Staples with +2.68%.

- October set the tone for the rest of the quarter: progress in the US-China trade negotiations, announcements from the Fed, the prospect of an orderly departure of the United Kingdom from the EU and reassuring company results have all helped support the equity markets. The Fed once again trimmed its key rate by 25 bps (to 1.50-1.75%) while the negotiations between China and the United States moved towards a first phase of a trade agreement.

- In November, equity markets remained on a bullish trend, buoyed by the hopes of China and the United States striking a trade agreement, and the improvement of certain economic indicators. In the United States, Q3 economic growth hit 2.1% (annualized) and employment figures for October came in way above expectations. Leading indicators were mostly reassuring, showing a clear rebound in the ISM service index and a slightly stronger manufacturing index.

- The prospect of an agreement between Beijing and Washington, the clear result in the UK elections, and cash injections by central banks were all factors that boosted investors’ optimism in December. Industrial activity showed signs of rebounding, fueled by the automobile industry, and sentiment in services continued to improve. This pushed job creations to a high level in November, and wages showed steady growth of 3.1% year on year. The Fed left its key rates unchanged, expressing confidence on growth and therefore not factoring in any rate cuts for 2020. It also injected as much liquidity into money markets as they needed to reduce tension.

All performance figures are given net of fees. Past performance is not a guide to current or future returns. See full disclaimer at the end of the document.

Performance Review

- In the fourth quarter 2019, the fund returned net +8.62% versus +10.52% for the Russell 1000 Growth Index, corresponding to a difference of -1.90%. The underperformance in the quarter was due, in the same proportion, to stock selection and sector allocation.

- The largest detractor in the quarter was the stock selection within Health Care, which cost 0.86% of underperformance. United Health and Amgen, both stocks not present in the portfolio (but in the benchmark) performed extremely well during the quarter (+35.80% for United Health and + 25.40% for Amgen).

- Stock selection within Consumer Discretionary (-0.40%) has also been challenging. Most of the underperformance can be explained by the fund investment in Yum Brands (-10.82%) which dropped at the end of October after reporting Q3 earnings and revenue that fell short of analysts' expectations.

- On the positive side, stock selection within Financials was additive (+0.27%), supported by the fund's investment in JP Morgan (+19.40%). The fund also benefited from positive stock selection within Communications Services (+0.17%), specifically Alphabet (+9.68%) and Facebook (15.26%) which outperformed in the quarter.

- Sector allocation negatively affected the fund in the quarter (-0.77%). The biggest impact came from the fund's cash exposure (-0.39%) and the fund's overweight in Real Estate (-0.25%) which is the result of strong convictions in selected growth stocks like AMT and Equinix, which are characterized as REITS and operate in conjunction with the telecom and cloud computing technology sector. On the positive side, the fund benefited from its underweight in Industrials (+0.30%).

Portfolio Activity

- The largest increases to portfolio position sizes in the quarter include Apple, Microsoft and Schlumberger. Apple's stock outperformed the market significantly, up 31.5% vs. roughly 10% for the benchmark. Microsoft and Schlumberger also outperformed, up almost 14% and 19%, respectively. We also added to Schlumberger early in the quarter as the stock had been particularly weak and the valuation was attractive.

- The Fund's weightings declined in Yum Brands, Workday and American Tower. The largest weighting decline was Yum Brands whose stock declined in the quarter, down almost 11%, after posting disappointing quarterly earnings including a further revamp of its Pizza Hut operations. Workday's shares declined 3% for the quarter after the company's investor meeting failed to meet expectations. American Tower's stock underperformed the market in the quarter, up 4%, as REITs in general underperformed. We added to Yum and American Tower in the quarter.

Outlook

- World growth is expected to stabilize at a moderate trend in 2020. A cyclical rebound should occur in industry, provided a trade agreement (“Phase one”) is signed between US and China. This should revive confidence in manufacturing and service sectors after the negative impact seen in 2019 from the sharp contraction in trade.

- Trade uncertainties and US elections are sources of external shocks to the ongoing growth scenario. The geopolitical situation in the Middle East and Latin America also remains fragile. If political and geopolitical risks remain in place, recession risks have abated in US and Germany.

- Accommodative monetary policy will continue for a long period of time, with expected additional support from budgetary policy. Better coordination between monetary and budgetary policy means that joint action should have more impact on growth than one separate approach.

- In 2020, central banks should focus on liquidity more than on interest rates. Bottlenecks in liquidity appeared recently in US money markets, solved by renewed purchases of short-term treasuries by the Fed; moreover, credit supply has marginally tightened in US.

- The limited scope for valuation expansion at the index levels – particularly in the US – suggests that further rises in global equities should remain modest.

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