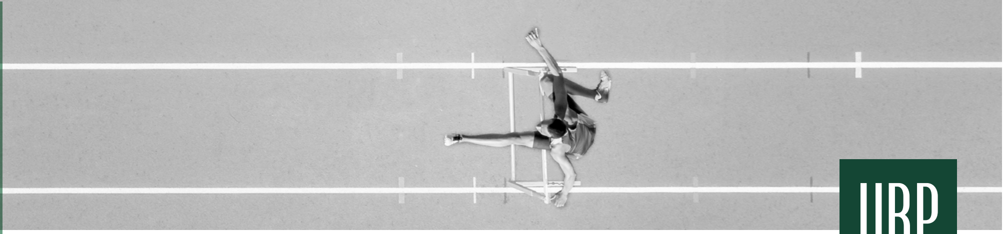

PRODUCT CARD

UBP

Union Bancaire Privée

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

# UBAM - AJO US EQUITY VALUE

**Value-oriented strategy investing in US equities**

AJO is an independent, registered investment adviser with USD 19 billion in assets under management. It has a 24-year track record of managing AJO Large Cap - Absolute Value, which is noteworthy for its outstanding performance and consistency against the Russell 1000 Value.

## Key points

- *The partnership between AJO and Union Bancaire Privée, UBP SA is exclusive in Europe*
- *AJO is a well-established, institutional US equity manager*
- *All-season strategy, focusing on large-cap companies, with a value-oriented approach*
- *Disciplined, quantitative process used to build a diversified, fully-invested portfolio*
- *Portfolio management team (including research analysts and traders) of 25 members based in Philadelphia and Boston*
- *Focused, benchmark-aware, sector-neutral portfolio*
- *Extremely close attention to controlling transaction costs*

## Investment case

There are still many investment opportunities in undervalued US large-cap companies across all industries. These opportunities are further enhanced by selecting US companies that show long-term competitiveness and profitability. The team believes the stock market is reasonably efficient but emotional enough to provide opportunities for disciplined investors. Given the complexity of the market, AJO believes that opportunities are best exploited with a systematic, quantitative approach. They use modern investment technology and academic research in addition to knowledge of classical investment thinking and analysis.

## Fund concept

AJO is an independent, entrepreneurially driven investment adviser founded in 1984 by Ted Aronson. The firm is a limited partnership that is wholly employee-owned by 18 active principals. While value-oriented, the team believes superior results are best achieved by considering value, management, momentum and sentiment. Security analysis is more productive when value is gauged relative to a company's peers. Valuation within and diversification among industry peer groups therefore constitute core pillars of the process. AJO focuses on well-managed companies with quality cash profits, relatively low market valuations, positive trends in price and forecasted fundamentals, and favourable investor sentiment. The portfolio is optimised to diversify multi-faceted risks.

## Investment team

- AJO is a limited partnership wholly owned by 18 active principals with 60 employees in Philadelphia and Boston
- High-profile, highly stable team led by AJO's charismatic founder, Ted Aronson
- The US equity team is composed of six portfolio managers and 14 research analysts, and is further supported by five traders

## Investment process

The fund is managed according to a disciplined quantitative investment process:

- Peer-relative valuation uses a multi-factor valuation model to identify low-priced companies with effective management, positive momentum and favourable sentiment among industry peer groups
- The multi-factor valuation model is centred around four categories of variables:
  - value (including price-driven measures from the balance sheet, cash-flow and income statements)
  - management (including efficiency, growth, signaling and quality)
  - momentum (including fundamentals, price and stability)
  - sentiment (including equity and options market actions)
- Portfolios are optimised to diversify multi-faceted risks
- Transaction cost-control is key, as costs are higher and more complicated than is generally perceived

Transaction cost control

Optimal trade-off of return and risk

- Value
- Management
- Momentum
- Sentiment

Seasoned, suitable, liquid stocks divided into peer groups

## SRRI

With lower risk, potentially lower rewards — With higher risk, potentially higher rewards

| 1 | 2 | 3 | 4 | **5** | 6 | 7 |
|---|---|---|---|---|---|---|

The SRRI (Synthetic Risk and Reward Indicator) relates to the IC USD share class LU0181362285 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.

## Investment guidelines

- Benchmark: Russell 1000 Value index – benchmark-aware but not benchmark-driven
- Holdings: 80–200
- Expected tracking error: 4% p.a. This level is not targeted; rather, it is the result of the optimal trade-off of expected return and multi-faceted risk per AJO's process
- Sector-neutral: exposure to industry groups is controlled but not neutralised
- Annual turnover range: 50–100%
- Fully invested

## General information

| | |
|---|---|
| Name | UBAM - AJO US Equity Value |
| Legal form | Sub-fund of UBAM, Luxembourg-domiciled SICAV, UCITS |
| Base currency | USD |
| Currency-hedged share classes | EUR, CHF, GBP, SEK |
| Cut-off time | 13:00 (LU time) |
| Inception date[1] | 16.03.2016 |
| Minimum investment | None |
| Liquidity | Daily |
| Applicable management fee[2] | AC USD: 1.25%; IC USD: 0.75%; UC USD: 0.75% |
| Registered countries[3] | AT, CH, DE, ES, FI, FR, IT, LU, NL, NO, SE, SG, TW, UK |
| ISIN | AC USD: LU0045841987; IC USD: LU0181362285<br>UC USD: LU0862307120 |
| Bloomberg ticker | AC USD: SCENAME LX<br>IC USD: UBUSEQI LX<br>UC USD: UBUSIUC LX |
| Investment manager | AJO LP |
| Depositary bank | BNP Paribas Securities Services, Luxembourg Branch |
| Administrator | CACEIS Bank, Luxembourg Branch |

[1]The inception date is the date on which management of the fund was taken over by AJO. Before this date the fund was managed by Neuberger Berman and the index was S&P 500 NR.
[2]Only the main share classes are mentioned. Available share classes include A: Standard; I: Institutional; U: No entitlement to retrocessions / RDR-compliant; C: Capitalisation; P: Performance-fee. Others are available.
[3]Please check availability before subscribing as not all share classes are registered in all jurisdictions. Subscriptions can only be made on the basis of the Fund's current Key Investor Information Document (KIID), full prospectus, and latest available audited annual report – as well as the latest semi-annual report, if published subsequently. These documents can be obtained free of charge from the Fund's headquarters, general distributor (Union Bancaire Privée, UBP SA, Geneva), or local representative for the country concerned.



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