

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

UBAM - GLOBAL EQUITY

Investing globally across the CFROI lifecycle

The fund invests in a portfolio of 30–50 stocks across all regions and sectors. The highly experienced portfolio management team aims to outperform the global equity index through a proven investment process based on the cash flow return on investment (CFROI) life cycle principle.

Key points

- ◆ *Investing in global equities across the CFROI life cycle, i.e. in a mix of growing, mature and turnaround companies*
- ◆ *Active management of tracking error depending on the investment environment. We expect tracking error to vary between 4% and 8%*
- ◆ *Strong track record for the strategy – it was initially launched in June 2009 as a mandate for an institutional client*

Investment case

Active investing in global equities offers investors the potential to participate in the value created by companies involved in global growth opportunities. Opportunities for outperformance come primarily from stock-specific factors, along with the divergence in regional growth prospects, and the differing investment and product cycles across industries.

The team invests across the CFROI lifecycle, i.e. the conventional progression in profitability that firms and industries face: an initial high growth phase, followed by one of declining profitability as competition erodes returns, until no excess returns are generated.

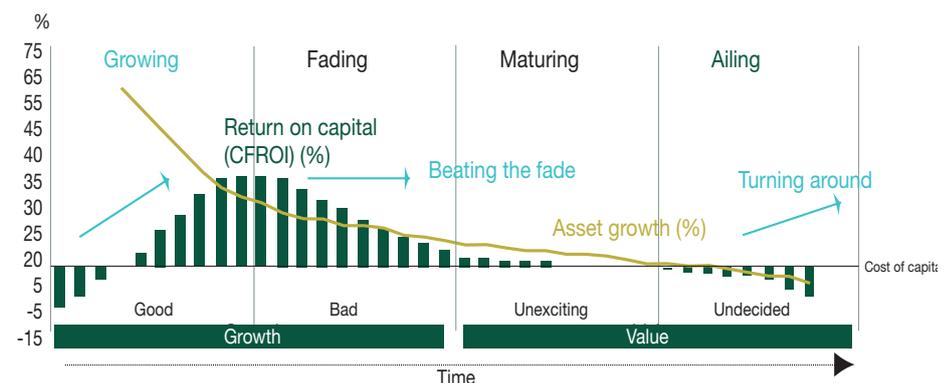
The investment approach aims to capture three alpha opportunities along this cycle: companies that have higher growth than expected by the market; companies that can “beat the fade” through high barriers to entry; and those able to reinvent themselves in difficult periods. The allocations to these three alpha opportunities will depend on the macro environment and the specific stock convictions identified.

Fund concept

The fund invests in a portfolio of typically 30–50 stocks from a wide range of regions and sectors, and across companies’ lifecycle. The investment approach is bottom-up – based on proprietary valuation models that emphasise cash generation (CFROI) – and also reflects top-down and thematic considerations.

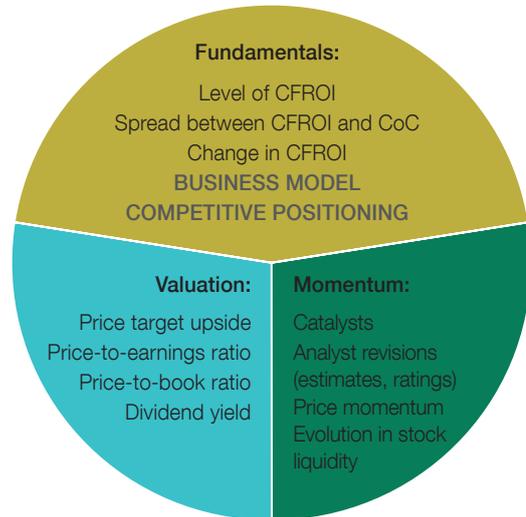
Portfolio tracking error is actively managed. Risk is hence managed according to the team’s views on the markets, increasing tracking error in constructive macroeconomic and stock-picking environments, and decreasing tracking error during less favourable periods.

The CFROI life cycle



Investment process

- ◆ Team members generate stock ideas backed by proprietary CFROI-based valuation models and meetings with company management.
- ◆ These are combined with momentum factors – including analyst estimates and ratings, and tangible catalysts – and traditional valuation factors, such as P/E and P/B ratios, as well as ESG criteria to generate buy recommendations.
- ◆ The portfolio is constructed from the bottom up and then analysed for risk, with a focus on tracking error contributions from each individual position. When necessary, tracking error is adjusted to conform to the overall view.



Investment guidelines

- ◆ Concentrated portfolio of typically 30–50 stocks
- ◆ Tracking error below 9%
- ◆ Benchmark: MSCI AC World TR Net USD

Investment team

- ◆ The fund is managed by Martin Moeller, Co-Head of UBP's Swiss and Global Equity team based in Geneva, and Eleanor Taylor Jolidon, the other co-Head acts as deputy manager
- ◆ The team of five dedicated portfolio managers and analysts make full use of UBP's global research resources of over 40 investment professionals

Main risks



The Synthetic Risk and Reward Indicator (SRRRI) relates to the IC USD share class LU1088697633 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 SRRRI 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.

General information

Fund name	UBAM
Sub-fund name	UBAM - Global Equity
Legal form of the fund	Luxembourg-incorporated umbrella SICAV, UCITS
Launch date	30 January 2015
Bid/offer price	NAV
Currency	USD (EUR/CHF/GBP/SEK)
Subscription/redemption	Daily
Management fee	A: 1.50%; I: 1.00% AP: 1.00%; IP: 0.625%
Performance fee	A/I: none; AP/IP: 10% above MSCI AC World Net Return

Management company	UBP Asset Management (Europe) S.A.
Investment manager	Union Bancaire Privée, UBP SA, Geneva
Administrator	CACEIS Bank Luxembourg S.A.
Registrar/transfer agent	CACEIS Bank Luxembourg S.A.
Custodian	Union Bancaire Privée (Europe) S.A.
Auditor	Deloitte S.à.r.l., Luxembourg
Country where distribution is authorised	AT, BE, CH, ES, FI, FR, IT, LU, NL, PT, SE, UK
ISIN	AC USD: LU1088691354; IC USD: LU1088697633 APC USD: LU1088694457; IPC USD: LU1088700791

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