



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

## UBAM – US EQUITY GROWTH

Gain exposure to the most liquid and global equity market by investing in US large-cap companies

The UBAM - US Equity Growth fund is a concentrated portfolio composed of high-quality growth companies with sustainable and secular growth trends. The fund seeks to outperform the Russell 1000 Growth index over a full market cycle.

### Key points

- *The US equity market offers an excellent investment universe for talented stock-pickers*
- *The fund invests in a high-conviction, concentrated portfolio of best ideas targeting long-term capital appreciation*
- *A rigorous investment process enables the identification and selection of companies with strong and sustainable business models, high earnings potential and visible free cash flows*
- *Risk management is embedded throughout the investment process and is fundamental to capital preservation*
- *Seasoned investment team with more than 40 years of combined investment experience*

### Investment case

The United States is the most liquid, transparent, diverse and global market in the world, accounting for 55% of the MSCI All Country Index weightings. Investing in large-cap US companies also captures returns in the faster-growing emerging markets, as most large-cap US companies are global.

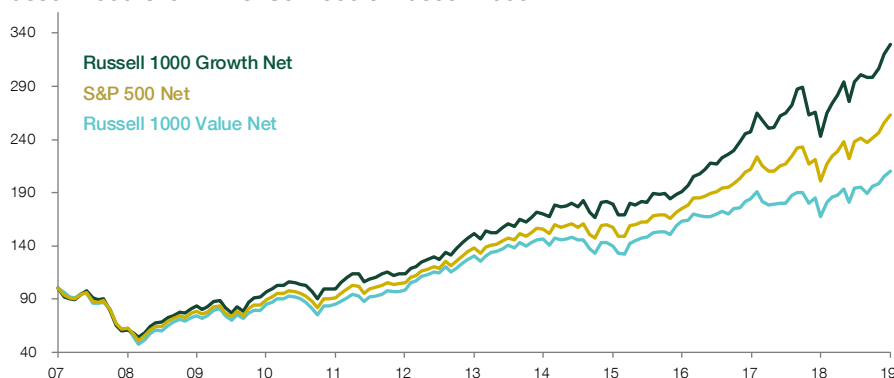
After 11 years of bull market, the recent market sell-off could be a harbinger of a bear market and so we expect a flat to a more modest return in 2020 depending on how serious the monetary policy by the Fed and fiscal policy apparatus are brought to bear to stabilise the markets. We also expect to see some rotations in market leaderships. While the continuing market performance has been led by a handful of blue chips and low-volatility stocks, somewhat defensive sectors are more in demand during bear markets.

With continuing low rates, high-quality and reasonably priced growth stocks are likely to continue to outperform the market. High-quality businesses that generate most of their returns from organic growth and can reinvest capital at high rates of return can grow their earnings, even if the underlying economy is not strong. These types of companies also tend to benefit from secular growth trends such as digital payments, cloud, e-commerce, the aging population and a rising middle class, which should help to buttress their growth in slower economic growth cycles.

### Fund concept

The UBAM - US Equity Growth fund is a concentrated portfolio of 35–55 stocks. The investment philosophy emphasises a long-term investment horizon with alpha generation, via bottom-up stock selection. The focus is on identifying and investing in high-quality, established companies with strong, sustainable business models and competitive advantages. Generally, such companies not only have the potential to consistently outperform the market, but they are also inherently less risky. Their superior earnings stability and financial strength should provide a safety margin that typically results in less volatility during declining markets or periods of economic or political uncertainty, thus providing downside protection while taking advantage of market growth.

### Russell 1000 Growth vs. S&P 500 & Russell 1000



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

## Investment process

- Idea generation: identify and assess sources of sustainable growth and returns
- Analyse and research high-quality business opportunities as well as secular growth trends
- Portfolio construction and active management of tracking error
- Strict sell discipline, depending on market and stock-specific factors
- Post-sell analysis to help validate the investment philosophy and process

## Investment guidelines

- Concentrated portfolio of 35–55 stocks
- Maximum active sector exposure: +/- 15% vs. benchmark
- Maximum active stock exposure: +/- 5% vs. benchmark
- Maximum cash allocation: 5%
- Target tracking error: below 6%
- Benchmark: Russell 1000 Growth Index

## Investment team\*

- Experienced stock selectors with an excellent long-term track record
- Two co-heads: Eve A. Glatt and Maurice O. Onyuka (over 20 and 25 years of investment experience respectively)
- The team has access to stock recommendations and notes from global equity analysts with regional market and sector expertise
- Full access to UBP's global network of investment professionals

\*UBP Asset Management LLC, a U.S.-based subsidiary of Union Bancaire Privée, UBP SA, serves as the investment manager to UBAM – US Equity Growth.

## General information

Name	UBAM - US Equity Growth	
Legal form	Sub-fund of UBAM, Luxembourg-incorporated SICAV, UCITS	
Base currency	USD	
Currency-hedged share classes	CHF, EUR, GBP, SEK	
Cut-off time	13:00 (LU time)	
Inception date	19.12.2017	
Minimum investment	None	
Liquidity	Daily	
Applicable management fee <sup>1</sup>	AC USD: 1.50%	APC USD: 1.00%
	IC USD: 1.00%	IPC USD: 0.63%
	UC USD: 1.00%	UPC USD: 0.63%
Performance fee <sup>2</sup>	10% above Russell 1000 Growth (applicable only to P shares)	

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The Swiss representative and paying agent of the foreign funds mentioned herein is UBP. The Funds' Legal Documents may be obtained free of charge from UBP, as indicated above.

## Union Bancaire Privée, UBP SA

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## A four-step process

Idea Generation	Stock Selection	Portfolio Construction	Risk Monitoring & Sell Discipline
<ul style="list-style-type: none"> <li>Source high-quality &amp; sustainable growth companies from investment universe</li> <li>Identify sources of repeatable alpha</li> <li>Market cap and liquidity filter – focus on large caps</li> </ul>	<ul style="list-style-type: none"> <li>Select stocks with better risk-adjusted returns</li> <li>Focus on above-average revenue and earnings growth</li> <li>Build 5-year valuation models                             <ul style="list-style-type: none"> <li>ROIC &gt; WACC</li> <li>High FCF</li> <li>Low Debt-to-Equity</li> <li>DCF Analysis</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Concentrated portfolio of financially superior companies</li> <li>Diversification by industry, sector and capital intensity</li> <li>Target multiples used for upside/downside potential, at individual stock levels</li> </ul>	<ul style="list-style-type: none"> <li>Active monitoring of contribution to portfolio tracking error at single stock level</li> <li>Strict sell discipline when investment thesis is challenged</li> </ul>

## SRRI



The SRRI (Synthetic Risk and Reward Indicator) relates to the IC USD share class LU1704635793 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.

Registered countries <sup>3</sup>	AT, CH, DE, ES, FR, IT, LU, NL, SG, UK	
ISIN	AC USD: LU1704633400 IC USD: LU1704635793 UC USD: LU1704637906	APC USD: LU1704634630 IPC USD: LU1704636767 UPC USD: LU1704638979
Bloomberg ticker	AC USD: UBUEAUC LX; IC USD: UBUEIUC LX	
Investment manager	Union Bancaire Privée, UBP SA	
Depository bank	BNP Paribas Securies Services, Luxembourg Branch	
Administrator	CACEIS Bank, Luxembourg Branch	

<sup>1</sup>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.

<sup>2</sup>A performance fee in reference to the Russell 1000 Growth Net Return Index (the "Benchmark") is applied to some share classes. The Benchmark is not representative of the Fund's risk profile and the portfolio's investments will deviate materially from the Benchmark.

<sup>3</sup>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.