

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

UBAM - TURKISH EQUITY

Capitalising on the biggest convergence opportunity

UBAM - Turkish Equity provides investors with access to the high growth potential of the Turkish stock market. The Turkish economy has excellent long-term growth potential as it converges with the rest of Europe, and the fund seeks to invest in the most attractive investment opportunities the country has to offer.

Key points

- ◆ *Turkish equities look set to benefit from the long-term growth potential of the country's economy*
- ◆ *Huge scope for active managers to outperform the under-researched Turkish market*
- ◆ *Talented investment team with vast experience in the Turkish equities market*
- ◆ *Disciplined, proven investment process*

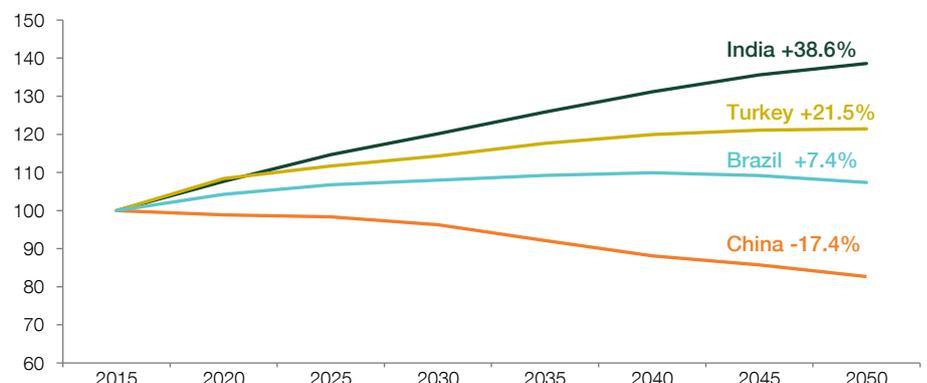
Investment case

Turkey represents an excellent opportunity for investors to take part in a long-term convergence story. The country has undergone large-scale political and economic transformations over recent years, leading to a period of unprecedented economic growth. The country has high productivity growth and low debt, equity valuations are attractive and it emerged from the global financial crisis unscathed. Moreover the Turkish equity market is poorly covered, so there are excellent opportunities for active managers combining local knowledge with a solid investment process to generate alpha.

Fund concept

UBAM - Turkish Equity is a high-conviction portfolio of 30-50 stocks constructed using a bottom-up approach but taking into account top-down macroeconomic, sector and thematic factors. We only invest in highly liquid, attractively valued stocks. We aim to invest in companies that are well-positioned in a growing sector, with a talented management team and a strong balance sheet. In the under-analysed Turkish market, proprietary research is a must and forms the cornerstone of our investment process.

Change in working age population (ages 20 to 64) expected



Source: UN, The World Bank, 11 April 2018
Past performance is not indicative of future results.



Investment process

- ◆ We initially filter the universe based upon each stock's liquidity and corporate governance – essential factors in immature markets.
- ◆ We analyse the investable universe for valuation upside potential and exposure to the long-term macroeconomic and convergence themes driving the market.
- ◆ We conduct detailed research – including regular company meetings and in-depth valuation analysis – on the companies on the resultant watch list.
- ◆ We construct the final concentrated portfolio with our best ideas while keeping a strict focus on risk management.

Investment guidelines

- ◆ Portfolio holdings of 30-50 stocks
- ◆ Minimum number of stocks in the portfolio: 20
- ◆ Maximum cash holding: 10%
- ◆ Expected maximum single stock active risk position: 10%
- ◆ Expected maximum sector active risk position: 10%
- ◆ Benchmark: MSCI Turkey 10/40 IMI
- ◆ Target ex-post TE of 600bp, ex-ante of 200-1000bp

Investment team

The fund is managed by a team of three based in London and Istanbul:

- ◆ Based in London, the Lead Manager, Eli Koen, has an outstanding track record and deep ties with the Turkish corporate sector. He has 23 years of Turkish equities investment experience.
- ◆ Eli is backed by a team of two. Pavel Laberko, based in London, is an EM equities specialist who also runs an African equity fund.
- ◆ Based in Istanbul, Özgür Göker is an equity research analyst, who provides Eli with a unique in-depth knowledge of the local market and a strong corporate network.

General information

Fund name	UBAM
Sub-fund name	UBAM - Turkish Equity
Legal form of the fund	Luxembourg-incorporated umbrella SICAV, UCITS
Launch date	16 April 2010
Bid/offer price	NAV
Currency	USD (EUR/CHF/GBP/SEK)
Subscription/redemption	Daily
Management fee	A: 1.75%; I: 1.25%; AP: 1.30%; IP: 0.75%
Performance fee	A, I: none; AP, IP: 20% above benchmark
Management company	UBP Asset Management (Europe) S.A.

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Liquidity filter

1/3 average weekly volume > 1% of the fund

Valuation governance

Corporate governance management, Exposure to long-term Turkish investment themes, Valuation multiples

Stock analysis

Detailed proprietary research, company visits, fact sheets, DCF

Portfolio construction

Portfolio managers construct a core model portfolio of top investment cases, tracking error calculated by risk department



Main risks

With lower risk, ← potentially lower rewards → With higher risk, → potentially higher rewards

1	2	3	4	5	6	7
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SRRI relates to USD share class. This indicator represents the annual historical volatility of the fund.

Risk category reflects level of risk and 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 synthetic indicator cannot be considered as 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.