



For Professional Investors in Switzerland or Professional Investors as defined by the relevant laws  
Fund classification under the Sustainable Financial Disclosure Regulation (SFDR): Article 8

## UBAM – SNAM JAPAN EQUITY SUSTAINABLE

An all-season, value-driven ESG (Environment, Social and Governance) approach suited to all market conditions, for a responsible investment in transformational Japan

UBAM - SNAM Japan Equity Sustainable is a Japanese equity-focused fund, using a bottom-up, fundamental approach without sector or market cap restrictions. The fund invests value-focused best ideas within an ESG narrowed universe using a proprietary scoring methodology.

### Key points

- *All-climate ESG investment, exploiting a bias towards value stocks*
- *Fundamental, bottom-up stock selection approach*
- *In-depth research carried out by a team of 13, based in Tokyo, led by Masako Chikuma (Portfolio Manager), a Japanese equity specialist with over sixteen years' experience*
- *A benchmark-aware portfolio without restrictions in terms of sector and market cap*
- *Very favourable outlook for Japan as new catalysts prompt investors to upgrade their forecasts on company fundamentals*

### Investment case

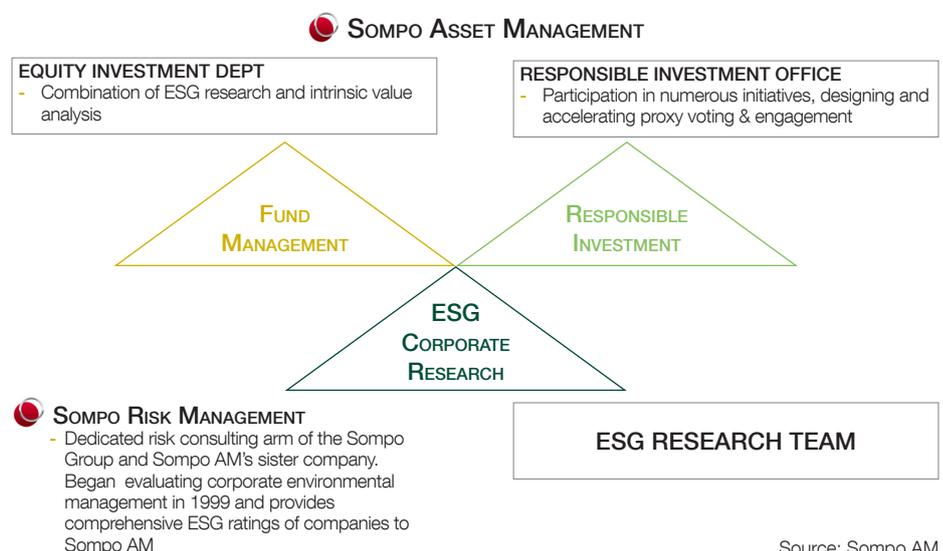
Japan is the third-largest economy in the world, and accounts for 10% of global market capitalisation. As soon as he was elected Prime Minister, Shinzo Abe set about implementing a raft of new policies, now known as Abenomics. This broad range of reforms has vastly improved the country's economy, particularly in the areas of sentiment, domestic demand, labour and corporate governance. As the Japanese equity market remains inefficient, the strategy seeks to benefit from the market discrepancies through a long-term bias towards ESG screened and undervalued stocks. The outlook for the asset class is highly favourable as Japanese equities are currently attractively priced, relatively as well as on an absolute basis.

### Fund concept

UBAM - SNAM Japan Equity Sustainable is a concentrated portfolio of undervalued stocks, based on mid-to-long-term normalised profit. With no sector or size constraints, the portfolio manager invests within an ESG universe using a proprietary screening methodology. Investments are being made in team's best value-biased investment ideas, capturing either cyclical catalysts such as production & inventory cycles, or one-off catalysts such as restructuring, mergers & acquisitions, and share buybacks. Because of its bottom-up selection process, the portfolio's market-capitalisation or sector bias may vary.

### Team's distribution of responsibilities

Wide-ranging ESG expertise from across the Sompo Group



Source: Sompo AM

## Investment process

The fund is managed according to a disciplined, bottom-up approach:

- The research team performs fundamental analysis on 300 stocks by sector. All stocks received a proprietary ESG score. The value of the resulting universe of stocks is then assessed.
- The Yasuda-Kasai Equity Valuation System (YES) calculates each stock's intrinsic value & alpha, and ranks them according to their alpha.
- Our analysts recommend investment ideas on a qualitative basis, improving on the model portfolio generated by YES.
- The portfolio manager finally aggregates these investment ideas into the portfolio, taking into account correlation and concentration constraints as well as the various risk metrics.

## Investment team

- The fund is managed by Tokyo-based Sompo Asset Management Co, Ltd (Sompo), a subsidiary of Japan's third-largest non-life insurance group, Sompo Holding Group. Sompo is dedicated to value-biased investment and specialises in Japanese equities.
- The 13-strong research team, also based in Tokyo, provides in-depth, local, fundamental analysis, providing investment ideas based on stocks' intrinsic value.
- Portfolio manager Masako Chikuma is an accomplished and experienced investor in Japanese equities. She plays a key role in implementing the research team's ideas in the portfolio.

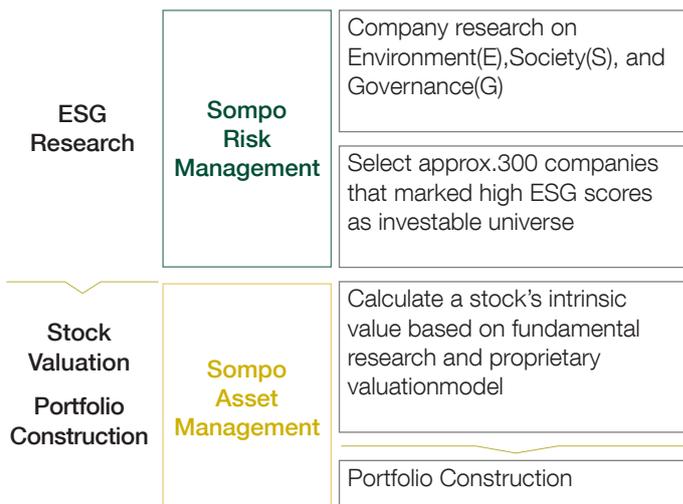
## Investment guidelines

- Benchmark index: TOPIX® Total Return; the fund is benchmark-aware, not benchmark-driven
- Number of holdings: 25–50 stocks
- Target excess return: 4.0% p.a
- Expected tracking error: 2–8% p.a
- Sector active weights: unrestricted
- Maximum single stock weight: 5%

## General information

Name	UBAM - SNAM Japan Equity Sustainable
Legal form	Sub-fund of UBAM, Luxembourg Domiciled SICAV, UCITS
Base currency	JPY
Currency-hedged share classes	USD, EUR, CHF, GBP, SEK
Cut-off time	13:00 (LU time)
Inception date	05.03.2020
Minimum investment	None
Liquidity	Daily
Applicable management fee <sup>1</sup>	AC JPY: 1.50%; IC JPY: 1.00%; UC JPY: 1.00%; IPC JPY: 0.70%
Performance fee <sup>2</sup>	20% above Tokyo SE (TOPIX) Total Return (only for P-shares)
Registered countries <sup>3</sup>	AT, BE, CH, DE, FR, IT, LX, NL, PT, SG, SP, UK
ISIN	AC JPY: LU1861468830; IC JPY: LU1861470497; UC JPY: LU1861473327; IPC JPY: LU1861472196
Bloomberg ticker	IC JPY: UBJESIC LX

## ESG and Value Framework



## SRRI



The SRRI (Synthetic Risk and Reward Indicator) relates to the IC JPY share class LU1861470497 as of 05.03.2020 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 manager	Sompo Asset Management Co, Ltd
Depository bank	BNP Paribas Securities 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: RDR-compliant; C: Capitalisation; P: Performance-fee. Others are available.

<sup>2</sup>A performance fee in reference to the Tokyo SE (TOPIX) Total 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.

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