

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

# UBAM - GLOBAL EQUITY SUSTAINABLE GROWTH

## 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 consistently 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

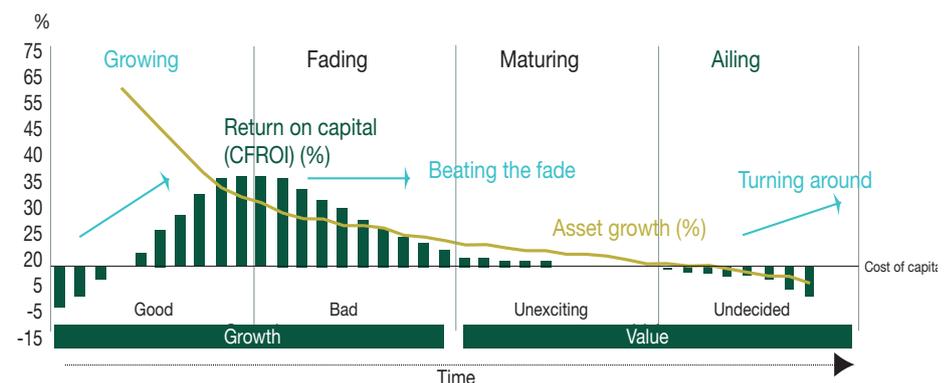
Companies are increasingly global in scale rather than being limited to specific regions. Now more than ever, investing in equities requires a worldwide view.

We believe equities are set to benefit from higher global GDP growth, a sustained reduction in the cost of capital, and low commodity prices. Opportunities for outperformance come from the divergence in regional growth prospects and policy, and the differing investment and product cycles across industries, along with stock-specific factors. 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 made. We aim to capture three alpha opportunities along this cycle: companies that have higher growth than is understood 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 ideas we identify.

### Fund concept

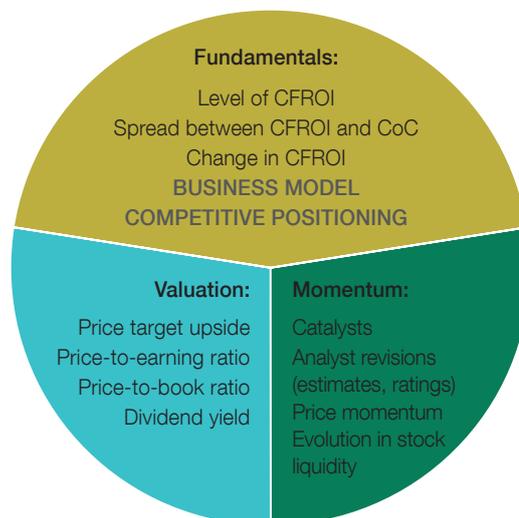
The fund invests in a portfolio of 30–50 stocks from a wide range of regions and sectors, and across a company’s lifecycle. The manager’s approach is bottom-up focused – using internal valuation models that emphasise cash generation – but reflects top-down and thematic considerations. Portfolio tracking error is actively managed. This means risk is managed according to our views on the markets, increasing tracking error in constructive macroeconomic and stock-picking environments, and decreasing tracking error during less favourable periods. A derivatives overlay strategy seeks to add performance.

### 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, 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 our overall view.



## Investment guidelines

- ◆ Concentrated portfolio of 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.
- ◆ He is Co-Head of a team of four dedicated portfolio managers and analysts who make full use of UBP's global research resources of over 40 investment professionals.
- ◆ The market-neutral overlay is managed by the Cross-Asset Risk Premia & Overlay Solutions team in Geneva.

## Main risks



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.

## General information

|                         |  |
|-------------------------|--|
| Fund name               | UBAM   |
| Sub-fund name           | UBAM - Global Equity Sustainable Growth              |
| 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%<br>AP: 1.00%; IP: 0.625%          |
| Performance fee         | A/I: none; AP/IP: 10% above MSCI AC World Net Return |

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|--|--|
| Management company                       | UBP Asset Management (Europe) S.A.   |
| Investment manager                       | Union Bancaire Privée, UBP SA, Genève  |
| 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<br>APC USD: LU1088694457; IPC USD: LU1088700791 |

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