

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

## UBAM - EUROPE MARKET NEUTRAL

Access to an innovative “Smart Alpha” strategy with a systematic, market-neutral approach

### Key points

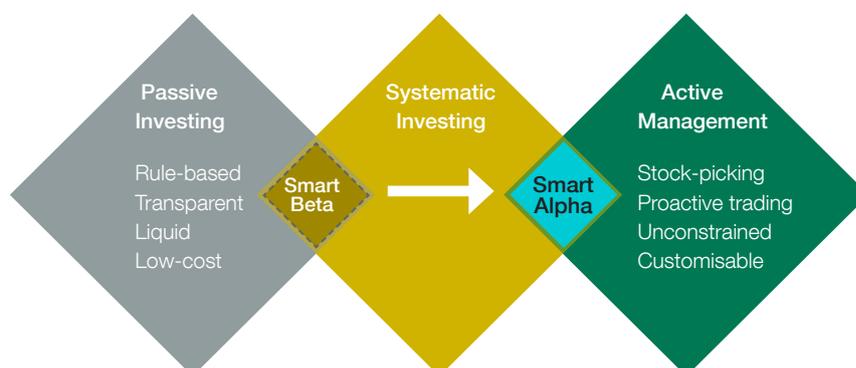
- ◆ *Innovative “smart alpha” strategy aiming to capture alpha from asset managers in a systematic way*
- ◆ *Equity market-neutral approach with very low correlation to traditional assets and market sensitivity*
- ◆ *Access to a wide range of portfolio managers’ best ideas, in a non-replicable format*
- ◆ *Clear and objective methodology on both legs of the book – systematic approach*
- ◆ *Absolute return profile, UCITS, daily liquidity, EUR base currency*

### Investment case: systematic capture of asset management alpha

- ◆ Alpha is elusive in active management. However, there is evidence of alpha creation in the short term. A systematic approach can help identify it
- ◆ AM League systematically tracks and ranks active managers’ alpha, creating “smart alpha” indices. UBP has partnered with AM League to launch an innovative investment solution to capture this alpha
- ◆ A “smart alpha” strategy remains systematic and cost-efficient but is largely based on active managers’ stock (and sector) picking. It accesses multiple portfolio managers’ best ideas and hidden talent while not carrying the multiple layers of costs of a fund of funds
- ◆ UBAM – Europe Market Neutral provides access to an innovative solution that should provide diversification for traditional portfolios but also for other passive/smart beta type strategies

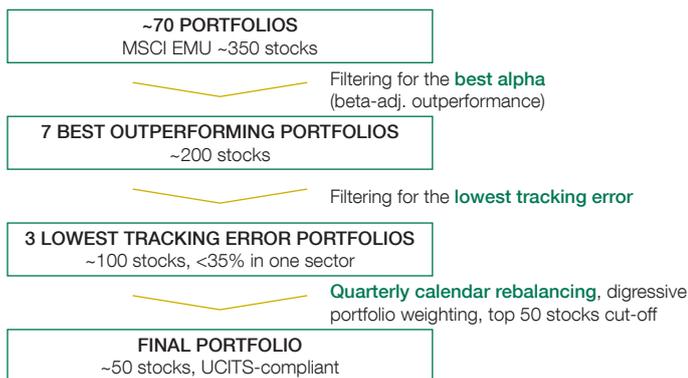
### Fund concept: Generate alpha with a systematic approach, both long and short

- ◆ The fund will combine two complementary alpha-generating engines:
  - ▶ A long leg using a smart alpha strategy, composed of the AM League Euro 50A index and applying a systematic selection process resulting in a portfolio of 50 stocks out of the MSCI EMU investment universe. The index is rebalanced on a quarterly basis
  - ▶ A short leg using an overlay strategy which implements a dynamic & systematic short equity index exposure, to hedge the beta of the long leg
- ◆ The combination of both strategies results in a market-neutral portfolio
- ◆ The fund targets a net return of Eonia + 5% per annum with a Sharpe ratio close to 1



## The long leg: AM League Euro 50 A Index

- ◆ A systematic process – index construction steps:



## Investment guidelines

- ◆ Target return: Eonia +5%
- ◆ Target volatility: 5%
- ◆ Controlled drawdowns
- ◆ Market-neutral to equities (low equity sensitivity)
- ◆ 50 equity positions on the long side
- ◆ 100% beta hedged

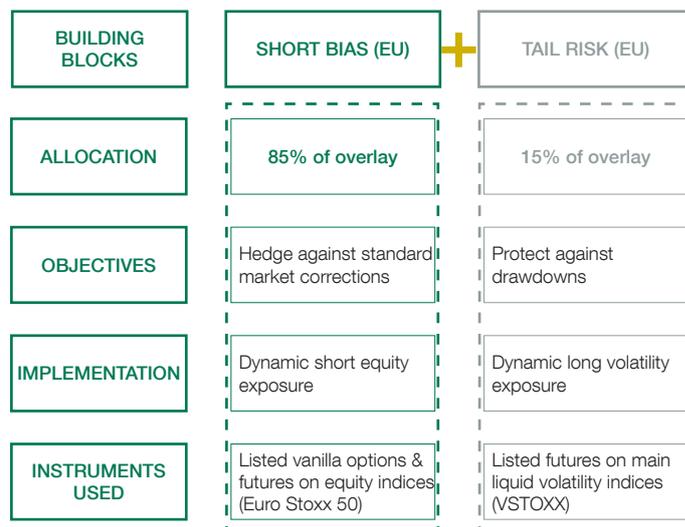
## Investment team

- ◆ UBP Cross Asset Solutions team
- ◆ 7 investment professionals, including Geoffroy Gridel and Tommaso Sanzin, led by Philippe Henry
- ◆ Partnership with AM League, a widely recognised platform measuring asset managers' performances
- ◆ Long track record in managing overlay strategies
- ◆ Strong and rigorous risk management process

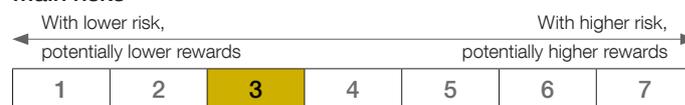
## General information (Institutional share class IC)

Fund name	UBAM - Europe Market Neutral
Legal structure	Luxembourg-incorporated SICAV / UCITS
Launch date	May 2019
Valuation day	Daily (D)
Subscription terms	Cut-off: D - 1BD ; Settlement: D + 2BD
Redemption terms	Cut-off: D - 1BD ; Settlement: D + 2BD
Fee structure	0.65% management fee. No performance fee
Minimum subscription	None
Currencies	EUR (base currency), USD, CHF, GBP, SEK
Currency hedging	Yes (against base currency)

## The short leg: UBP's flagship overlay strategies



## Main risks



The Synthetic Risk and Reward Indicator (SRR) relates to the AC EUR share class LU2001956478 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 SRR 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.

Management company	UBP Asset Management (Europe) S.A.
Investment manager	Union Bancaire Privée, UBP SA
Administrator	CACEIS Bank Luxembourg S.A.
Registrar/transfer agent	CACEIS Bank Luxembourg S.A.
Custodian	BNP Paribas Securities Services Luxembourg
Auditor	Deloitte S.à.r.l., Luxembourg
Country where distribution is authorised	AT, BE, DE, ES, FR, LU, NL, SE, UK, SG
ISIN	AC EUR LU2001956478; IC EUR LU2001957443

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