



For Swiss qualified investors only

## UBAM (CH) – SWISS SMALL AND MID CAP EQUITY

### Accessing global growth opportunities through high-quality Swiss small- and mid-cap stocks

UBAM (CH) - Swiss Small and Mid Cap Equity is an actively-managed Swiss contractual fund investing in a concentrated portfolio of the investment team's high-conviction ideas in the Swiss non-large cap space. Those companies tend to have globally-exposed revenue streams, manufacture high value-added products and/or occupy specialised market segments in which they are often leaders.

#### Key points

- *Swiss small and mid caps offer exposure to global growth through solid, well-managed companies with high value-added products and services*
- *High-conviction, concentrated portfolio of the team's best ideas in a market with compelling opportunities for talented stock pickers*
- *Lipper Fund Awards Europe for the investment team's flagship fund UBAM - Swiss Equity: Best Swiss Equity Fund over 10 years (2014–2018) and over 3 and 5 years (2013–2016)*
- *Lipper Fund Awards Austria for the investment team's flagship fund UBAM - Swiss Equity: Best Swiss Equity Fund over 5 and 10 years (2017, 2018) and over 10 years (2017, 2018, 2019)*

#### Investment case

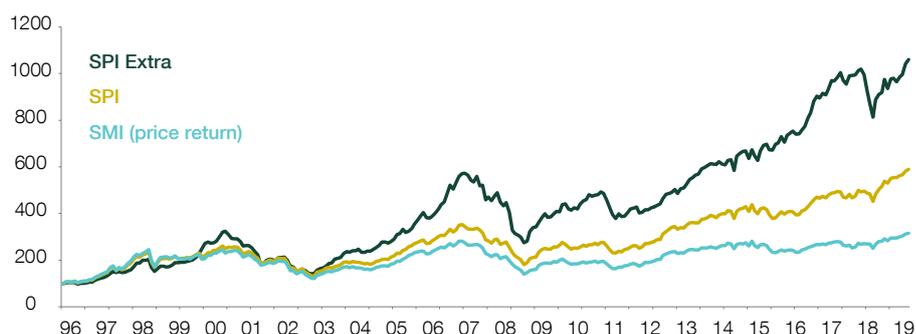
Swiss companies are known for being large globally-dominant firms – often household names in their industry. But the Swiss small- and mid-cap space also contains market-leading companies, generally catering to more niche industry segments globally. They tend to be operationally efficient, due to a persistently strong Swiss franc forcing them to focus on competitive advantages, and dedicated to generating good stakeholder value, as a result of a strong culture of investing in domestic equities which rewards disciplined management.

Consequently, the SPI Extra (the Swiss small- and mid-cap index) has demonstrated strong long-term returns, driven by generally higher underlying growth rates, while both the SPI and the SPI Extra have delivered significantly higher returns than global equity markets. The SPI Extra contains all Swiss-listed stocks excluding the 20 largest ones (which constitute the SMI) and is well-diversified from both a stock and a sector perspective.

#### Fund concept

UBAM (CH) - Swiss Small and Mid Cap Equity is a relatively concentrated portfolio – 40–60 positions – of the team's highest-conviction small- and mid-cap names. The team aims to identify leading companies in terms of value creation along the Cash Flow Return on Investment (CFROI) life cycle. The CFROI life cycle framework is at the base of the team's fundamental company valuation approach. The team seeks to identify three particular types of stocks: "growing" companies' stocks whose potential is underestimated by the market, companies generating consistently high CFROIs able to 'beat the fade' in returns over time, and "turnaround" companies able to restructure in difficult times. The fund aims to outperform the SPI Extra, driven by a bottom-up approach with active management of the portfolio tracking error, which generally ranges between 4% and 8%.

#### Strong absolute and relative long-term returns for Swiss small and mid-caps



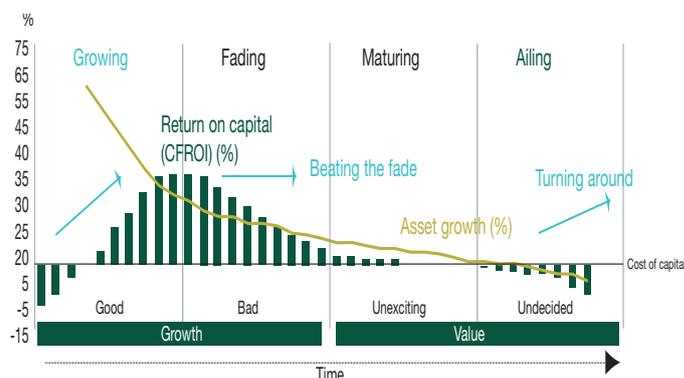
Sources: UBP, Bloomberg Finance L.P. as of 31.12.2019  
Past performance is not indicative of future results

The sub-fund's objective is to achieve medium-term, superior returns relative to the market shares of Swiss small- and mid-cap companies as measured by the SPI Extra® (small and medium-sized enterprises).

## Investment process

- The bottom-up analysis involves detailed fundamental and quantitative research, including ESG criteria, and regular company meetings. The team seeks to identify long-term return potential which is not yet reflected in valuations, by understanding the competitive advantages and management capabilities of each company.
- The top-down perspective gained from meetings with external and internal strategists and macroeconomists allows the team to position the portfolio according to market conditions.
- Portfolio construction is based on the team's assessment of company prospects, catalysts and risks, and contribution to tracking error.
- Risk management takes into account portfolio beta, tracking error and stock intercorrelations.
- Portfolio tracking error is actively managed i.e. the team varies the amount of risk taken according to their view of the market environment and opportunity set.

## The CFROI life cycle



Sources: UBP, Credit Suisse HOLT  
Past performance is not indicative of future results

## Investment guidelines

- Benchmark: SPI Extra
- Typical number of stocks: 40–60
- Maximum stock weight: 10%
- Typical cash position: 0–5%

## Investment team

- The team of four dedicated portfolio managers combine over 50 years of experience in financial markets and make full use of UBP's global research resources of over 40 investment professionals
- The fund is managed by Eleanor Taylor Jolidon, Co-Head of UBP's Swiss and Global Equity team based in Geneva, and Bettina Baur, senior portfolio manager

## General information

Name <sup>1</sup>	UBAM (CH) - Swiss Small and Mid Cap Equity
Legal form	Sub-Fund of UBAM (CH) Swiss Contractual Fund
Base currency	CHF
Currency-hedged share classes	None
Cut-off time	12:00 (CH time)
Inception date <sup>1</sup>	30.06.2015
Minimum investment	1 share
Liquidity	Daily
Applicable management fee <sup>2</sup>	AD: 1.40%; ID: 0.90%
Registered countries <sup>3</sup>	CH
ISIN	AD CHF: CH0117983723 ID CHF: CH0117983848

## SRRI

With lower risk,							With higher risk,	
potentially lower rewards							potentially higher rewards	
1	2	3	4	5	6	7		

The SRRI (Synthetic Risk and Reward Indicator) relates to the ID CHF share class CH0117983848 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.

Bloomberg ticker	AD CHF: USEXECA SW ID CHF: USEXECI SW
Investment manager	Union Bancaire Privée, UBP SA
Depository bank	Banque Cantonale Vaudoise
Administrator	Gérifonds SA

<sup>1</sup>Formerly UBAM (CH) - Swiss Excellence Equity. On 30.06.2015 the Fund's strategy changed to Swiss small and mid caps and the benchmark to SPI Extra.

<sup>2</sup>Available share classes include A: Standard; I: Institutional; D: Distribution.

<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.

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Any subscriptions not based on the fund's latest prospectuses with integrated fund contracts, KIIDs, annual or semi-annual reports (the "Funds' Legal Documents") shall not be acceptable. The Fund's Legal Documents may be obtained free of charge from Gérifonds SA, rue du Maupas 2, 1002 Lausanne, or from Union Bancaire Privée, UBP SA, 96-98 rue du Rhône, P.O. Box 1320, 1211 Geneva 1.

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