

Global (Ex-US) Equity

Investment profile | UBS Asset Management—Americas Institutional

Objective

The Global (Ex-US) Equity strategy seeks to outperform the MSCI World (ex-US) Index (unhedged) with similar risk.

Investment philosophy and process

Our core belief is that companies have an intrinsic value that is determined by their discounted cash flows. Market prices can be significantly different from intrinsic value, driven by investor behavior or inability to correctly estimate future cash flows. Our process is designed to seek to take advantage of these opportunities. Cash flow-based valuation therefore forms the bedrock of our investment approach.

Team leadership

As the lead Portfolio Manager, Scott Wilkin has ultimate responsibility for the strategy, while working in close

partnership with Charles Burbeck, his Deputy Portfolio Manager. They employ a disciplined process to leverage UBS Asset Management's large research platform, primarily the sector-specialist expertise of the Intrinsic Value Equity Analysts based around the world.

Scott Wilkin

- Managing Director, Lead Portfolio Manager
- 26 years of investing experience

Charles Burbeck, ASIP

- Managing Director, Deputy Portfolio Manager, Global Equity
- 25 years of investing experience

Vehicle availability¹

- Commingled fund
- Segregated account

¹ Certain vehicles may not be available to all investors. Please contact your local representative for more information.

Key points

- The strategy follows an intrinsic value philosophy to select stocks in developed markets, excluding US
- At the heart of the process is a proprietary cash-flow-based valuation methodology
- Experienced portfolio managers employ a disciplined process to leverage the substantial risk and portfolio analytics, along with the specialist analytical resources of the wider firm

Global (Ex-US) Equity investment process

A focus on cash-flow-based valuation

T-V-T decision making

Thesis:

- Deep fundamental analysis—company and industry
- Differences from consensus
- Signposts—factors that will bring thesis to fruition

Valuation:

- UBS Asset Management's cash flow methodology
- Alternative measures for validation
- Scenario sensitivity

Timing:

- Why now
- Level of insight and conviction
- Potential negatives

Research and screening

- Substantial resources, optimally organized
- Sector specialist expertise
- Average experience of analysts: 17 years

Decision-making

- Disciplined T-V-T framework
- Peer review/devil's advocate
- Vote on approval

Portfolio construction

- Industry-leading portfolio analytics
- Multiple risk systems
- Independent scrutiny and challenge

Client portfolio

- 50 – 90 names
- Best ideas from extensive search
- Risk aware

For illustrative purposes only.

For institutional investors only.

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