

Emerging Markets Equity High Alpha Long-term Opportunity (HALO)

Investment profile | UBS Asset Management—Americas Institutional

Objective

Emerging Markets Equity HALO is an actively managed equity strategy, investing across emerging markets. It seeks to fully exploit investment opportunities by obtaining long-term exposure to around 25 to 35 of the best ideas of the investment team, in a concentrated, active and largely unconstrained portfolio. The strategy strives to outperform the MSCI Emerging Markets Equity benchmark by 500 basis points (gross of fees) on an annualized basis.

Investment philosophy and process

We believe that a high-conviction portfolio, which exploits the inefficiencies uncovered through a long-term price to intrinsic value methodology, provides the opportunity to maximize alpha. Our estimate of intrinsic value is determined by the fundamentals that drive a

company's future cash flow. Our focus is on valuations and quality (industry structure, profitability and corporate governance) as we invest for the long-term benefit of our clients.

Our process begins with research conducted by the analysts, based on our investment philosophy. Our objective is to develop unique insights that enable us to have a clearly differentiated investment thesis against the consensus in the market.

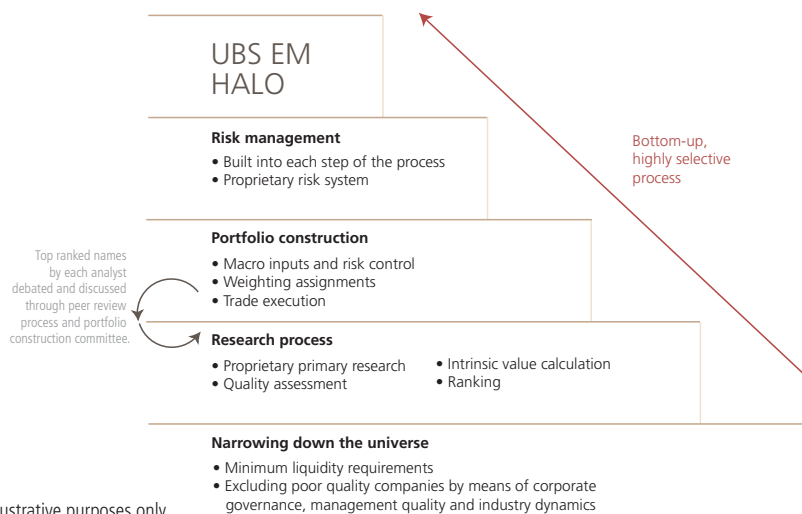
An important part of this is our ability to seek out unconventional sources of information. Not only do we talk to the companies we invest in directly, we also engage with suppliers, competitors and other industry experts. This deeper research and a longer investment horizon can uncover more opportunities to add value for our clients.

Key points

- The actively managed strategy seeks to capture the best ideas of the sector analysts in a very active concentrated portfolio of 25 to 35 stocks using a disciplined, bottom-up investment process
- The process offers greater flexibility to take focused views by exploiting significant price/value discrepancies, broadly unconstrained by the benchmark given the high country and sector limits
- The team has been managing Emerging Markets and Asian equities for over 15 years, as of December 2016. The average investment experience within the team is 15 years, over half of which is with UBS.

Emerging Markets Equity HALO investment process

Disciplined application of fundamental research



For illustrative purposes only.

For institutional investors only.

Risk is integral to the process and all portfolios are monitored to avoid uncompensated risk.

It is the role of the lead portfolio manager, Urs Antonioli, to take the best ideas of the analysts and construct a portfolio that best meets the client objectives. Final portfolio decisions are made by the Portfolio Construction Committee, chaired by Geoffrey Wong. For each proposed stock the associated analyst is directly involved in the decision-making process and held accountable for its success in the portfolio.

Team leadership

The Emerging Markets Equity HALO team is a dedicated, well-resourced and experienced investment team. Most

members originate from emerging markets, having deep local knowledge, and all together average 15 years investment experience. The Team has a track record of competitive long-term and consistent performance, with a particular strength in managing China equities, the largest component of, and biggest influence on, emerging markets equities.

Key people

Geoffrey Wong, CFA

- Managing Director, Head of Global Emerging Markets and Asia Pacific equities
- 29 years of investing experience

Urs Antonioli, CFA

- Managing Director, Head of Emerging Markets Europe, Middle East, Africa &

Latin America equities

- 21 years of investing experience

Gabriel Csendes, CFA

- Managing Director, Portfolio Manager and Equity Investment Analyst
- 17 years of investing experience

Projit Chatterjee, CFA

- Managing Director, Senior Equity Specialist, Emerging Markets and Asia Pacific equities
- 20 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.

This material does not take into account the specific investment objectives, financial situation or particular needs of any specific recipient and is published solely for information purposes. No representation or warranty, either express or implied is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is it intended to be a complete statement or summary of the strategy referred to in this material. In addition, any statements made by UBS Asset Management regarding investment performance expectations, risk and/or return targets shall not constitute a representation or warranty that such investment objectives will be achieved.

Statements herein may be based on current expectations and are considered "forward-looking statements". Actual future results, however, may prove to be different from expectations. Any opinions expressed in this material are a reflection of UBS Asset Management's best judgment at the time this document is compiled and may differ or be contrary to opinions expressed by other business areas or divisions of UBS Group AG or its affiliates ("UBS") as a result of using different assumptions and criteria. Neither UBS Group AG nor any of its affiliates, directors, employees or agents accepts any liability for any loss or damage arising out of the use of all or any part of this material.

The information and opinions contained herein have been compiled or arrived at based upon information obtained from sources believed to be reliable and in good faith. All

such information and opinions are subject to change without notice and any obligation to update or alter the contents herein as a result of new information, future events or otherwise is disclaimed.

This material does not constitute an offer to sell or a solicitation to offer to buy or sell any securities or investments instruments, to effect any transactions or to conclude any legal act of any kind whatsoever. Nothing herein shall limit or restrict the particular terms of any specific offering. No offer of any interest in any product will be made in any jurisdiction in which the offer, solicitation or sale is not permitted, or to any person to whom it is unlawful to make such offer, solicitation or sale. Not all products are available to citizens or residents of all countries.

Services to US clients for any strategy herein are provided by UBS Asset Management (Americas) Inc. UBS Asset Management (Americas) Inc., a Delaware corporation, is a member of the UBS Asset Management business division of UBS Group AG, a publicly traded Swiss bank (NYSE: UBS). UBS Asset Management (Americas) Inc. is an indirect, wholly-owned subsidiary of UBS Group AG and registered as an investment adviser pursuant to the Investment Advisers Act of 1940, as amended.

Services to Canadian persons for any strategy herein are provided by UBS Asset Management (Canada) Inc., a Nova

Scotia corporation and a member of the UBS Asset Management business division of UBS AG, a publicly traded Swiss bank (NYSE: UBS). UBS Asset Management (Canada) Inc. is an indirect wholly-owned subsidiary of UBS AG and is registered as a portfolio manager and exempt market dealer (in all provinces of Canada), commodity trading manager (Ontario), adviser – commodity futures (Manitoba) and investment fund manager (Ontario, Quebec and Newfoundland), all pursuant to Canadian securities law. This document can be distributed in Canada to Accredited Investors who qualify as Permitted Clients only. The investment or fund referred to in this presentation may be a connected or related issuer of UBS Asset Management (Canada) Inc. in connection with a distribution of the investment or fund to investors in Canada. UBS specifically prohibits the redistribution or reproduction of this material in whole or in part without the prior written permission of UBS and UBS accepts no liability whatsoever for the actions of third parties in this respect.

© UBS 2017. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.

© UBS 2017. All rights reserved.
17-0237 03/17
ubs.com/am

UBS Asset Management (Americas) Inc. is a subsidiary of UBS Group AG.
For institutional investors only.

