

## COURSE DETAILS

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<b>COURSE NAME</b>	UBS Asset Management on Microcaps
<b>COURSE TYPE</b>	Market Update
<b>EXPERT</b>	Joel Fleming, Portfolio Manager
<b>CPD KNOWLEDGE AREA</b>	Managed Investments (0.25 hours), Generic Knowledge (0.25 hours)
<b>PROFESSIONAL DIMENSIONS</b>	Capability (0.5 hours)
<b>FPA ACCREDITATION NUMBER</b>	009173

## HOW TO USE THIS DOCUMENT

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- Text to upload to your LMS for each course section and the accreditation test. Note that this is provided in the structure in which the course is intended to be delivered.
- Vimeo bulk download link for all videos and images needed for the course. If you are unable to download from Vimeo, please contact your client relationship manager on (02) 8969 6077 and we will arrange an alternative.

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- Ensure this course/fund is applicable and appropriate for your licensee needs and/or approved product list.
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- Download all videos from the provided Vimeo portfolio and upload to your LMS.
- Download any supporting documents that are provided alongside the course and place alongside the course in your LMS. These can include tables, graphs, fact sheets or product disclosure statements.
- Utilise the CPD accreditation details above to finalise the course in your LMS.
- Communicate to your planner network that the new course is live.

## SECTION 1 – COURSE TEXT

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### 1. COURSE INTRODUCTION:

The UBS Asset Management *Market Update* course with Joel Fleming will give you insights into:

- The microcap landscape
- How microcaps can create diversification
- Investing in innovation
- How UBS approaches microcap investments

### 2. OVERVIEW:

**Heading:** How UBS invests in future opportunities

**Blurb:** In this *Market Update* series from UBS Asset Management, portfolio manager, Joel Fleming, introduces you to the microcap investment universe to debunk some misconceptions around the asset class, and to share how UBS evaluates opportunities in this space. Joel also explores the benefits microcaps can offer investors, and why he believes an investment in microcaps is an investment in innovation.

### 3. VIDEO SERIES:

#### 3.1 Video 1:

**Heading:** Microcaps: Investing in Innovation:

**Blurb:** Microcap are businesses that are started as they see an opportunity, and being smaller and more nimble than big businesses, it's easier for them to seize these opportunities and capitalise on them. As Joel explains, these smaller companies are able to better adapt to change and respond to market conditions, meaning it's much easier for them to invest in new and innovative ideas when they arise.

#### 3.2 Video 2:

**Heading:** The Future of Microcaps

**Blurb:** Australia is currently on the cusp of a number of long-term trends including preparing for, and managing, an ageing population; and investigating potential sources of renewable energy. Joel discusses how structural change can lead to future opportunities, and why microcap companies are best placed to take advantage of these.

### 3.3. Video 3:

**Heading:** How UBS Approaches Microcaps

**Blurb:** Microcaps have different drivers to large and small cap companies so are able to offer investors portfolio diversification. As Joel explains, the ideal microcap stock is one which is immune to economic conditions (positive or negative), as it responds to an entirely different set of drivers. This video delves into UBS's approach to microcap stocks to uncover how the group approaches this asset class.

### 3.4 Video 4:

**Heading:** Assessing Microcap Stocks

**Blurb:** Joel and his team look for businesses which are financially stable and are positively exposed to structural change so have the potential to experience really rapid growth. This video explains how the team looks for and assesses sustainability and long-term potential in the stocks it selects.

## SECTION 2 – TEST YOURSELF

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(To follow video 1: Microcaps: Investing in Innovation)

**Q1:**

What sectors does Joel identify as having great potential for microcap companies?

- a. Infrastructure
- b. Healthcare
- c. Technology
- d. All of the above (**correct**)

**Q2:**

What type of capital is most likely to be available to microcap companies?

- a. Equity capital (**correct**)
- b. Debt capital

(To follow video 2: The Future of Microcaps)

**Q3:**

What mega-trend does Joel identify as being a potential driver in the microcap space?

- a. A reduction of fossil fuels
- b. Artificial intelligence
- c. Ageing populations (**correct**)
- d. A rise in entrepreneurs

**Q4:**

What sector does Joel see replacing commodities as the 'heart and soul' of the Australian economy?

- a. Renewables
- b. Healthcare
- c. Small business (**correct**)
- d. Manufacturing

(To follow video 3: How UBS Approaches Microcaps)

**Q5:**

What percentage of the Australian economy do stocks in the ASX100 account for?

- a. 56 per cent
- b. 68 per cent
- c. 74 per cent (**correct**)
- d. 82 per cent

**Q6:**

What Index (in terms of size) do microcap stocks sit below?

- a. ASX100
- b. ASX200
- c. ASX300 (**correct**)
- d. ASX400

(To follow video 4: Assessing Microcap Stocks)

**Q7:**

What factors does Joel and his team take into consideration when assessing microcap stocks?

- a. Financial sustainability
- b. Positive exposure to structural change
- c. The ability to scale
- d. All of the above (**correct**)

**Q8:**

Which of the following factors form a financial model for microcap companies?

- a. Ability to grow revenue
- b. Ability to grow profit margin
- c. Ability to increase profits
- d. Ability to generate cash

e. All of the above (**correct**)

## VIDEO ASSETS DOWNLOAD LINKS

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You can download all the videos for your course via one of the following links:

Vimeo: <https://vimeopro.com/evolutionmediagroup/ubs-joel-fleming-market-update-microcaps-no-logo>

Password: UBSJoelMU17

Dropbox: [https://www.dropbox.com/sh/0vwwc7ksa5hfidb/AACq2OscGdLi\\_LQ0VQByINIRa?dl=0](https://www.dropbox.com/sh/0vwwc7ksa5hfidb/AACq2OscGdLi_LQ0VQByINIRa?dl=0)