UBP Asset Management (Europe) S.A.

287-289, Route d'Arlon, L-1150 Luxembourg

R.C.S. Luxembourg N° B 177 585

INFORMATION AND NOTICE TO THE SHAREHOLDERS OF

UBAM - EM RESPONSIBLE LOCAL BOND

Luxembourg, 26 January 2024

Dear Shareholders,

UBP Asset Management (Europe) S.A. (hereafter the "Management Company"), with the consent of the Board of Directors of UBAM informs you of the following decisions relating to UBAM - EM Responsible Local Bond (the Sub-Fund):

Starting from 26 February 2024, date on which the changes described below will be applied (the "Effective Date"), the Sub-Fund's current investment policy will be replaced as per the below (changes highlighted in **bold**):

Current investment policy

Sub-Fund actively managed denominated in USD and which invests its net assets primarily in fixed or variable-rate bonds denominated in Emerging or Frontier countries local currencies and whose issuer:

- *is a sovereign issuer domiciled in Emerging or Frontier countries; or*
- *is a company domiciled in Emerging or Frontier countries, or;*
- *is a company domiciled in any country but with an underlying instrument directly or indirectly linked to Emerging of Frontier countries, or;*
- *is a company whose risks are directly or indirectly linked to Emerging or Frontier countries; or*
- *is an international or supranational agency or development bank*

Emerging countries may include investments in China through Bond Connect up to 20% of the Net Asset Value. Please refer to the related risks in the "RISK FACTORS" chapter of this prospectus.

Frontier countries include, but are not limited to: Angola, Armenia, Azerbaijan, Belarus, Belize, Bolivia, Cameroon, Costa Rica, Cote D'Ivoire, El Salvador, Ethiopia, Gabon, Georgia, Ghana, Guatemala, Honduras, Jamaica, Jordan, Kenya, Mongolia, Mozambique, Namibia, Nigeria, Pakistan, Papua New Guinea, Paraguay, Senegal, Sri Lanka, Suriname, Tajikistan, Tunisia, Uzbekistan, Vietnam and Zambia.

Please refer to the Frontier countries related risks in the "RISK FACTORS" chapter of this prospectus.

Bonds carry, at the issue or issuer level, at least a credit rating of minimum of B- (Fitch or S&P) or B3 (Moody's) or an equivalent rating by another rating agency.

As an exception to this rule:

- *up to 15% of the net assets can be invested in bonds with a rating below B- (Fitch or S&P) or B3 (Moody's) or an equivalent rating by another rating agency, and*
- *up to 15% of the net assets can be invested in non-rated bonds.*

The Sub-Fund may have exposure up to:

- *15% in local currency bonds issued by EM corporate or quasi-sovereign issuers, which have a minimum BB MSCI ESG rating and are not in breach of international norms and principles (that is are not assigned a Red Controversy Flag by MSCI ESG Research).*
- *15% allocation per EM country*

The Sub-Fund aims to deliver performance by investing in Emerging countries bonds and currencies, while offering a greater Environmental, Social and Governance (ESG) characteristics than its reference index, the JP Morgan ESG GBI-EM Global Diversified Index. The reference index itself carries sounder ESG *characteristics than traditional EM local currency bonds, thanks to its construction which takes into account the ESG assessment of sovereign issuers carried out by two ESG data providers: Sustainalytics and RepRisk. It is not, however, directly aligned with the environmental or social characteristics that the Sub-Fund seeks to attain and are described below.*

In order to ensure the promotion of environmental and social characteristics, the Sub-Fund has a minimum 20% allocation to bonds denominated in EM or Frontier local currencies which are:

- *either sustainability-focused bonds such as, but not limited to, Social, Green, Sustainable or Blue bonds issued by supranational, EM sovereign or EM corporate issuers*
- *or issued by supranational agencies, international organisations or development banks such as, but not limited to, the World Bank, the IFC or the EBRD which help finance sustainable development in emerging countries.*

These investments help finance certain Environmental or Social goals, such as but not limited to projects designed to mitigate climate change, gender equality or the promotion of female education.

The Sub-Fund will promote in particular social characteristics and aims to have a Social score higher than its index. This social score, measured by MSCI, covers for sovereign issuers matters such as human capital, education, gender inequality, health levels, labour freedom, quality of infrastructure…all aspects that are essential for the development of emerging countries. For private issuers, the social score considers matters such as employees well-being, health and safety, supply chain labour standards.

The Sub-Fund also aims to promote good governance. Issuers' Governance credentials are assessed via internal or external research. In terms of governance factors, we consider for instance a sovereign's regulatory system efficacy, government stability and respect for property rights. Such factors include but are not limited to the World Bank's Ease of Doing Business indices and Development Indicators. The Sub-Fund does not endeavour to best each individual governance factors but to present an improved Governance score compared to its index as measured by MSCI ESG Research.

In addition, the Sub-Fund aims to present an overall higher ESG quality than that of its index. This is measured using MSCI ESG Research "ESG Quality Score". This indicator measures the ability of underlying holdings to manage key medium to long term risks and opportunities arising from environmental, social, and governance factors. It calculates each sovereign's exposure to key ESG risks. The analysis takes into account the extent to which a sovereign has developed robust policies and demonstrated a strong track record of performance in managing its specific level of risks or opportunities

The Sub-Fund's investment strategy relies on ESG, credit and macroeconomic assessment in order to combine a financial risk-adjusted performance in line or above that of the EM local sovereign bond market over the investment horizon, with social characteristics better than its reference index. The investment process includes ESG analysis which combines internal and external research conducted by a variety of ESG data providers including, but not limited to, MSCI ESG Research, RepRisk as well as recognised organisations like the World Bank, Transparency International or Freedom House. In particular, the Investment Manager has developed a proprietary ESG sovereign scoring model, which combines historical ESG data and forward-looking sentiment to rank countries in terms of their relative ESG quality.

The model considers over 20 E, S and G indicators, such as a sovereign's human rights record, government stability or its policy response to climate change. For each of our sustainability indicators, the Investment Manager take into consideration the relative position of a country compared to its peers. The Investment Manager pays particular attention to governance factors, as it believes that they have the greatest potential impact on a country's ability to implement robust environmental policies and achieve favourable social outcomes. The also factors in the trend (momentum) of these indicators, to reward countries with improving ESG credentials. The model-driven score is then adjusted for GDP per capita to reduce the bias inherent in some E, S, G indicators where wealthier countries tend to have higher ESG scores independent of their current efforts to improve their ESG outcome. This model is complemented by internal forward-looking assessment which allows the Investment Manager to reflect more recent changes in policies that may influence ESG quality. The resulting ESG scores are normalized on a scale from 0 to 100, with the worst-performing country receiving a score of 0 and the best-performing country scoring 100. The ESG scores are reviewed quarterly.

For corporate and supranationals, the Sub-Fund relies on external ESG assessment and/or on ESG and credit analysis conducted by the Investment Manager.

ESG analysis covers at least 90% of the Sub-Fund's portfolio.

The investment process includes a first phase of investment universe filtering, based on the Investment Manager's internal ESG model and other ESG constraints, and a second phase which combines ESG integration with financial considerations to lead to portfolio construction.

Sovereign issuers

- *Countries which have an ESG score in the top 66% of the Sub-Fund's investment universe are deemed investable through sovereign, supranational or corporate bonds denominated in the country's local currency.*
- *Countries with an ESG score in the bottom 33% of the Sub-Fund's investment universe are deemed un-investable except through sustainability-focused (e.g. Green, Social, Sustainable) instruments or Supranational/Development Agency bonds denominated in those countries' currencies.*

In addition, sovereign issuers are excluded if:

- *they are identified as oppressive regimes, as recognised by a Global Freedom Score of 7 or below by Freedom House.*
- *they are on international sanction lists (such as, but not limited to, those of the EU, UN, OFAC…).*
- *their MSCI ESG Rating is CCC.*

Corporate and Quasi-sovereigns

Corporate and other quasi-sovereign issuers are excluded if:

- *their MSCI ESG Rating is B or CCC.*
- *they bear a Red Controversy Flag by MSCI ESG Research, that is they are identified as in breach of international norms and principles, such as, but not limited to, the UN Global Compact, ILO...*
- *they are involved in controversial weapons and other contentious business activities as defined in UBP' Responsible Investment policy (e.g. tobacco, coal… revenue thresholds may apply).*

If an issuer's ESG rating is downgraded below BB, the Investment Manager has to adjust the portfolio, in the best interest of shareholders.

The ESG selectivity process leads to a reduction of the investment universe of at least 20%. The investment universe is defined as emerging market countries which have tradable sovereign local debt markets accessible to foreign investors. The list is available on www.ubp.com and is revised annually or on an ad-hoc basis in case of a change in FX regime such as for instance the instauration or removal of capital controls.

Once the filtering of the universe is finalised, the choice of financial instruments may also take into account environmental and/or social characteristics, as the Sub-Fund can choose between traditional and sustainability-focused instruments. It can also lead to favour issuers with greater ESG credentials than others.

Finally, the process will consider the Investment Manager's assessment of EM country economic and political developments and global macroeconomic trends. The financial strategy approaches Duration and FX risks included in EM local markets bonds as two separate sources of return. The duration process aims to differentiate which countries are in the overheating phase of their economic cycle and those which are in the cooling phase by over-allocating to the second compared to the first. The FX risk for each country is analysed using a scorecard of fundamental, technical, governance and event risk factors. The corporate allocation relies on the Investment Manager's analysts bottom up research process in addition to its fundamental view on the currency.

The Sub-Fund includes a mix of investments:

- *investments aligned with E/S characteristics - used to attain the environmental or social characteristics promoted by the financial product. These investments may include:*
  - *sustainable investments that qualify as sustainable investments, such as green or sustainability bonds*

- *other E/S characteristics: investments aligned with the environmental or social characteristics that do not qualify as sustainable investments*

- *other investments which are neither aligned with the E/S characteristics, nor are qualified as sustainable investments.*

In the case of sustainable investments, the Investment Manager takes into account the Do No Significant Harm (DNSH) principle (Article 16 SFDR)

While the Sub-Fund seeks to attain certain environmental and social characteristics, it also carries a financial performance objective. For that purpose, some investments may be included that are not aligned with the E/S characteristics promoted by the Sub-Fund's investment policy.

However, to ensure minimum environmental or social safeguards, sovereign and corporate issuers have to respect a series of eligibility criteria as described above (including for instance a Freedom Score, which combines both political rights and civil liberties, above 7 for a sovereign issuer, or, for a corporate issuer, compliance with international norms). In the latter case, severe breaches are identified by MSCI's Red Overall Controversy Flags which signal severe controversies in at least one of the following areas: Environmental, Social, Governance, Human Rights and Labour Rights. Issuers carrying such Red flags are excluded.

Finally, the Sub-Fund may invest in derivatives, such as but not limited to Interest Rate Swaps, Futures, Forex Options for hedging purposes, investment purposes and efficient portfolio management purposes. These instruments do not participate in reaching the environmental or social characteristics promoted by the Sub-Fund's investment policy, but guidelines are set to ensure that they do not negatively impact these characteristics according to the following rules:

- *Interest Rates Swaps (IRS) are authorised only in those currencies where the ESG score of the country is in the top 66% of the Investment Manager's ESG scoring model.*
- *FX forwards, non-deliverable forwards (NDF) and FX Options:*
  - *are authorised for the purpose of investment (long), hedging, or net short exposure for those currencies where the ESG score of the country is in the top 66% of the Investment Manager's ESG scoring model.*
  - *are authorised only for hedging or net short exposure for those currencies where the ESG score of the country is in the bottom 33% of the Investment Manager's ESG scoring model.*
- *Credit Linked Notes (CLN): authorised only when the underlying currency exposure represents a country that has an ESG score that is in the top 66% of the Investment Manager's ESG scoring model.*

In addition, in all cases, long market exposures for investment purposes via the derivatives outlined above are not authorised for currencies where the country of issuance has an MSCI ESG score below B or for countries which are deemed un-investable due to financial sanctions or other criteria as detailed above.

The Investment Manager seeks to assess the principal potential adverse impacts of its sovereign sustainable investments, such as social violations, by for instance avoiding oppressive regimes as well as to limit the main potential adverse impact of its corporate sustainable investments primarily through its norms-based screening (e.g. compliance with the OECD Guidelines for Multinational Enterprises, the UN Global Compact…). The Investment Manager may seek to assess other potential adverse impacts. This may be, however, hindered by the limited availability of data for certain indicators, given the nature of investments in emerging markets.

The Investment Manager is committed to include, among others, investments in sustainable activities as defined by the Taxonomy Regulation. In particular, through its ESG analysis, the allocation to use-of-proceeds bonds, engagement and the use, if necessary, of external data providers, the Investment Manager will seek to select to a limited extend investments which significantly contribute to climate mitigation and/or climate adaptation, while complying with the EU's "Do No Significant Harm" principle. At the date of this prospectus, the information necessary to determine the exact proportion of investments complying with this Regulation remains very limited. Therefore, the minimum proportion of investments aligned to the Taxonomy Regulation is currently set at 0%. As soon as more data become available, the prospectus will be updated to reflect the applicable percentage.

The Investment Manager recognises that sustainability risks as described in the "[RISK FACTORS]" chapter may have an impact on the performance of the Sub-Fund. Assessment of sustainability risks is complex and requires subjective judgments, which may be based on ESG analysis which combines internal and external research conducted by a variety of ESG data providers including but not limited to, MSCI ESG Research, ISS or RepRisk. These data which could be difficult to obtain and/or incomplete, estimated, out of date or otherwise materially inaccurate can lead to no guarantee that the Investment Manager's assessment will correctly determine the impact of sustainability risks on the Sub-Fund's investments.

More information about SFDR is available in the SFDR Schedule.

The net asset value is expressed in USD

Standard investor profile: this Sub-Fund is suitable for investors who need a well-diversified emerging bond allocation in their portfolio, but with a high risk profile due to high volatility linked to emerging markets. Investors should have experience in volatile products and financial markets, and, more specifically, those markets relating to Emerging countries. They should have a minimum investment horizon of 3 years and should be able to accept significant losses.

- *Risk calculation: absolute VaR approach*
- *Leverage calculation methodology: sum of the notionals*
- *Expected leverage: 500%. Please note that depending on market conditions the leverage level could be higher.*

New Investment policy

Sub-Fund actively managed denominated in USD and which invests its net assets primarily in fixed or variable-rate bonds denominated in ***any currencies, including*** *Emerging countries local currencies and whose issuer:*

- *is a sovereign issuer domiciled in Emerging countries; or*
- *is a company domiciled in Emerging countries, or;*
- *is a company domiciled in any country but with an underlying instrument directly or indirectly linked to Emerging countries, or;*
- *is a company whose risks are directly or indirectly linked to Emerging countries;*
- *is an international or supranational agency or development bank; or*
- ***is included within the J.P. Morgan ESG GBI-EM Global Diversified (JESG GBI-EM GD) (the "Benchmark")***

Emerging countries may include investments in China through Bond Connect up to 20% of the Net Asset Value. Please refer to the related risks in the "[RISK FACTORS]" chapter of this prospectus.

Please refer to the ***Emerging and Frontier countries*** *related risks in the "[RISK FACTORS]" chapter of this prospectus.*

As an exception to the general rule applicable to bond Sub-Funds, this Sub-Fund will be able to invest up to 100% of its net assets in High Yield products and/or transferable securities of Emerging countries according to the rating's rules in section "[Bond Sub-Funds]". The exposure to High Yield and Emerging countries can be increased up to 150% net of its net assets through derivatives, excluding foreign currencies exposure. In addition, the currency exposure is flexibly managed.

The Sub-Fund may also invest up to

- ***10% in EM fixed Income ETFs,***
- ***5% in Contingent Convertible bonds***

The Sub-Fund may invest in interest rate, FX, and credit derivatives such as but not limited CDS, CDS Index, FX Forwards (including NDFs), FX Options, Interest Rate Swaps, Futures, Options, Credit Linked notes and FX Linked notes. The Sub-Fund may use derivatives for investment purposes and for the purposes of efficient portfolio management.

The Sub-Fund may have exposure up to:

- *15% in local currency bonds issued by EM corporate or quasi-sovereign issuers,*
- ***20% allocation per EM Sovereign Issuer***
- ***20% allocation per Supranational***

Benchmark use

The Sub-Fund is actively managed, and the Investment Manager has discretion to select the Sub-Fund's investments. In doing so, the Investment Manager will refer to the:

- ***J.P. Morgan ESG GBI-EM Global Diversified (JESG GBI-EM GD) (the "Benchmark") for risk management purposes to ensure that the active risk (i.e. degree of deviation from the Benchmark) taken by the Sub-Fund remains appropriate given the Sub-Fund's investment objective and policy. The Investment Manager is not bound by the weighting of the Benchmark when selecting Benchmark Securities. The geographical scope and the environmental, social and governance ("ESG") requirements (described above) of the investment objective and policy may have the effect of limiting the extent to which the portfolio holdings will deviate from the Benchmark. The Benchmark should be used by investors to compare the performance of the Sub-Fund.***

- ***J.P. Morgan GBI-EM Global Diversified (GBI-EM GD) (the "ESG Reporting Benchmark") to assess the impact of ESG screening on the Sub-Fund's investment universe. The ESG Reporting Benchmark is not intended to be used when constructing the Sub-Fund's portfolio, for risk management purposes to monitor active risk, or to compare the performance of the Sub-Fund. Further details are available on the Benchmark provider website at www. jpmorgan.com/insights/research/index-research/composition-docs.***

The Investment Manager recognises that sustainability risks as described in the "RISK FACTORS" chapter may have an impact on the performance of the Sub-Fund. Assessment of sustainability risks is complex and requires subjective judgments, which may be based on ESG analysis which combines internal and external research conducted by a variety of ESG data providers including but not limited to, MSCI ESG Research, ISS or RepRisk. These data which could be difficult to obtain and/or incomplete, estimated, out of date or otherwise materially inaccurate can lead to no guarantee that the Investment Manager's assessment will correctly determine the impact of sustainability risks on the Sub-Fund's investments.

The Sub-Fund can invest in derivatives. Derivative instruments do not participate in reaching the environmental or social characteristics promoted by the Sub-Fund. The use of derivatives is expected to have marginal impact on the E and S characteristics.

Although this Sub-Fund is classified Article 8 SFDR, its underlying investments do not take into account the EU criteria for environmentally sustainable economic activities (Article 7 of EU Taxonomy Regulation).

This Sub-Fund promotes E and/or S characteristics and has a proportion of sustainable investments as described in the pre-contractual disclosures attached to this Prospectus. More information on the Sub-Fund's ESG and Taxonomy approaches is available in the SFDR Pre-contractual disclosure attached to this prospectus.

The net asset value is expressed in USD.

Standard investor profile: this Sub-Fund is suitable for investors who need a well-diversified emerging bond allocation in their portfolio, but with a high risk profile due to high volatility linked to emerging markets. Investors should have experience in volatile products and financial markets, and, more specifically, those markets relating to Emerging countries. They should have a minimum investment horizon of 3 years and should be able to accept significant losses.

- *Risk calculation: relative VaR approach.* ***The VaR of the Sub-Fund shall be compared with the VaR of J.P. Morgan ESG GBI-EM Global Diversified (JESG GBI-EM GD)***
- *Leverage calculation methodology: sum of the notionals*

Expected leverage: 500%. Please note that depending on market conditions the leverage level could be higher

----

Shareholders of UBAM - EM Responsible Local Bond who do not agree with the aforementioned changes will have the option of requesting the redemption of their shares in that Sub-Fund free of charge for a period of one month starting from the date of publication of this notice up until the Effective Date.

UBP Asset Management (Europe) S.A.