



For Swiss qualified investors only

UBAM (CH) – HIGH GRADE CHF INCOME PLUS

Optimising income in CHF mainly via investment-grade investments

UBAM (CH) - High Grade CHF Income Plus offers Swiss investors the benefit of an attractive income in Swiss francs.

Key points

- *Attractive income in CHF: mainly investment-grade investments and up to 15% exposure to high yield*
- *Typical maturity of 5 years and no economic leverage*
- *Top-down macroeconomic-driven process to actively manage the interest rate and credit exposure*
- *Use of standardised and cleared interest rate and credit derivatives*
- *Experienced investment professionals with expertise in Swiss bond and derivative markets*
- *No stamp duty for Swiss investors and dedicated share classes for pension funds*

Investment case

Swiss fixed income investors with the Swiss franc (CHF) as their base currency can either invest in CHF bonds issued by Swiss or foreign entities or in EUR and USD bonds with currency hedging to the CHF. This second solution could generate a yield pick-up with a similar economic risk.

With CHF bond yields at or below zero and the high cost of hedging to the CHF, UBAM (CH) - High Grade CHF Income Plus allows Swiss investors to optimise expected returns in CHF by accessing further fixed income opportunities – in particular in the non-investment grade space – while maintaining an average investment-grade rating and moderate interest rate risk.

Fund concept

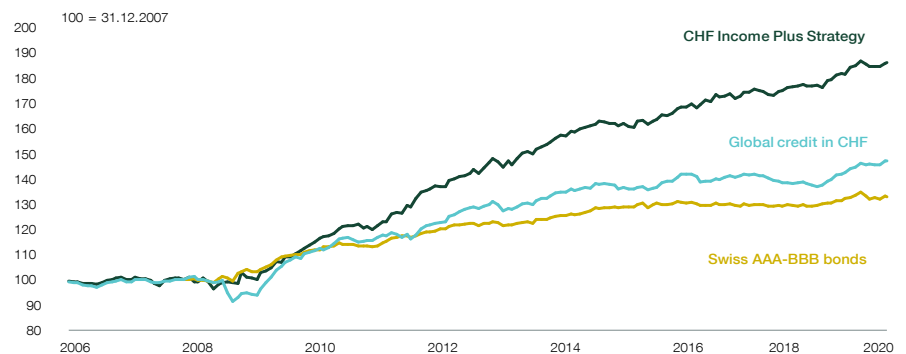
UBAM (CH) - High Grade CHF Income Plus offers Swiss investors the benefit of an attractive income in CHF.

The fund invests in investment-grade securities with a typical average maturity of 5 years and selects the most attractive segment among:

1. CHF-denominated bonds
2. EUR- or USD-denominated bonds hedged to the CHF
3. A CHF fixed income portfolio built with standardised and cleared interest rate and credit derivatives.

The fund also gains exposure to high yield (US or Europe). The high-yield exposure typically accounts for 15% of the portfolio. The investment team manages it actively and can reduce it based on their top-down macro investment views. It will only be implemented via liquid high-yield credit indices (no high-yield bonds).

Performance of a composite of the strategy – data before fees since 2016



Source: UBP as of 14.02.2020.

CHF Income Plus Strategy: 85% US Investment Grade CDS index + 15% US High Yield CDS Index + 100% 5-year German interest rate futures. Swiss bond AAA-BBB 1-10yr (ticker: ST110T). Gross performance does not include any applicable management fees or expenses. Past performance is not a reliable indicator of present and future performance. Proforma returns are hypothetical (do not reflect trading in actual accounts) and are provided for informational purposes only. Characteristic data are provided for illustrative purposes only and are not guaranteed in any way. The invested portfolio may differ from the indicative allocation.

Investment process

- Three dimensions: top-down relative value across segments, top-down and macro-driven investment views, and bottom-up selection (only when bonds' top-down relative value is appealing):
 - Top-down relative value across segments determines the fixed income allocation
 - Top-down macroeconomic views determine interest rate, credit and geographic exposure
 - Bottom-up credit research and relative value analysis applies when cash bond segments are offering the most attractive expected returns
- Risk-management is carried out throughout the investment process with real-time monitoring of positions

Investment guidelines

- Maximum total economic exposure: 100%
- Neutral allocation: 85% investment grade and 15% high yield
- Typical average maturity: 5 years (minimum 2 years)
- Use of standardised and cleared derivatives for interest rates and credit

Investment team

- Thirteen-strong team overseeing CHF 19.4 billion worth of fixed-income assets as at 31 December 2019.
- Proven expertise in CDS index management
- Led by Philippe Gräub, who has twenty years' financial markets experience of which thirteen years managing and growing the UBP Global and Absolute Return Fixed Income franchise.

General information

Name	UBAM (CH) - High Grade CHF Income Plus
Legal form	Sub-Fund of UBAM (CH) Swiss Contractual Fund
Base currency	CHF
Currency-hedged share classes	-
Cut-off time	12:00 (CH time)
Inception date	15.04.2020
Minimum investment	1 share
Liquidity	Daily
Applicable management fee ¹	AD CHF: 0.50%; ID CHF: 0.35%; UD CHF: 0.35%
Registered countries ²	CH
ISIN	AD CHF: CH0521629011; ID CHF: CH0521629037; UD CHF: CH0521629060

1. Top-down relative value across segments

- Analysis of carry and roll-down
- Analysis of FX hedging costs
- Analysis of liquidity

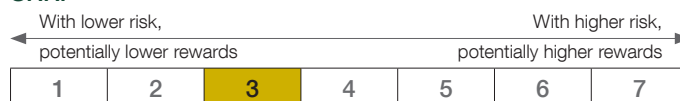
2. Macroeconomic and top-down views to determine

- Interest rate exposure
- Credit exposure
- Geographic exposure

3. Bottom-up: only when bonds are more appealing in terms of top-down relative value

- Fundamental credit research
- Relative value at security level

SRRI



The SRRI (Synthetic Risk and Reward Indicator) relates to the I+D CHF share class CH0521629045 as of 15.04.2020 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	tbc
Investment manager	Union Bancaire Privée, UBP SA
Depository bank	Banque Cantonale Vaudoise
Administrator	Gerifonds SA

¹Only distribution shares classes are available – A: Standard; I: Institutional; U: RDR-compliant

²Please 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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