

UBP Asset Management (Europe) S.A.

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INFORMATION AND NOTICE TO SHAREHOLDERS OF THE HEDGED SHARE CLASSES OF

UBAM - GLOBAL CARRY ENHANCED

Luxembourg, June 27 2019

Dear shareholders,

UBP Asset Management (Europe) S.A., with the consent of the Board of Directors of UBAM informs you of the decision relating to UBAM - GLOBAL CARRY ENHANCED (hereinafter the "Sub-Fund"), namely:

In order to improve the Investment Manager's ability to achieve good results in a rising market, the part in bold and struck through in the investment policy will be removed:

This sub-fund invests its net assets primarily in any kind of short term bonds and other debt securities issued by sovereign, quasi-sovereign or worldwide companies with a minimum rating of BBB- (Fitch Ratings Ltd.) or BBB- (Standards & Poor's) or Baa3 (Moody's).

In addition, the sub-fund will use derivative instruments, including stock index futures and stock index options, (i.e. covered calls strategy or puts selling). The use of these derivative instruments will aim to increase distributable income and manage the portfolio volatility of the sub-fund.

Two main derivative strategies will be implemented: a (partially) covered call writing strategy and a risk management overlay. A (partially) covered call writing strategy consists of a long equity position on which a call option is sold. This strategy is implemented on a monthly basis ~~and at inception it will be approximately market neutral~~: it allows to monetize the so-called term structure volatility premium. Overall, call nominal is expected to remain below 200% of the sub-fund's net assets. The risk management overlay consists of a dynamic long position in volatility futures: given the statistical inverse relationship between equity prices and volatility, this overlay aims to partially reduce risks during extreme equity market dislocations.

These strategies are based on observable economic and empiric behaviours: (a) investors are risk adverse and are therefore willing to buy protection and (b) from time to time financial markets undergo turbulent phases with declining equity prices and increasing volatilities. The (partially) covered call strategy is equivalent to selling protection to risk adverse investors: implementing this strategy on a systematic basis allows to earn a premium (carry), but exposes to losses during the (statistically less frequent) turbulent periods. During these market phases the risk management overlay, thanks to the long volatility exposure, (partially) hedges the covered call writing strategy. These described dynamics and the expected behaviours of the different strategies must be understood in probabilistic terms: they refer to average statistical relationships observed over a long time span in the past and are not a sure indication of current and future performance.

The aforementioned change will take effect on August 1, 2019.

Shareholders of UBAM - GLOBAL CARRY ENHANCED who do not agree with the aforementioned change affecting the Sub-Fund may request the redemption of their shares in the Sub-Fund free of charge for a period of one month from the date of this notice.

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