

For Qualified Investors in Switzerland, or Professional Investors or Eligible Counterparties as defined by the relevant laws

UBAM - GLOBAL CARRY ENHANCED

Access to liquid carry from global equity-neutral strategies

Key points

- ◆ *Liquid carry strategy seeking to generate a steady performance, with moderate volatility and low sensitivity to traditional asset classes*
- ◆ *Portfolio construction based on two distinct and complementary sub-strategies: "Carry" (core component) and "Risk Management" (satellite)*
- ◆ *Market-neutral equity exposure on average; no rate duration*
- ◆ *Systematic approach*
- ◆ *UCITS, daily liquidity, cash-efficient solution*

Investment case: Providing an alternative to bonds as a source of yield

- ◆ With current yields at low levels, investors find it increasingly challenging to extract a satisfying level of steady income from traditional fixed-income instruments.
- ◆ This market regime is expected to last in Europe for instance, the start of quantitative tightening should cause interest rate volatility to rise.
- ◆ In this context, an increasing number of bond investors are looking for additional sources of yield to complement their fixed-income portfolios.
- ◆ UBAM - Global Carry Enhanced seeks to achieve a stream of recurrent yield with no fixed-income duration and very limited sensitivity to equities.

Fund concept: Gaining extra yield from call selling, with low market beta

- ◆ The fund's objective is to generate a steady performance with moderate volatility, while keeping very low exposure to traditional asset classes. Its base currency is EUR
- ◆ The fund will invest in two complementary sub-strategies:
 - ▶ A core strategy (the "Carry" strategy), which will earn regular income by selling options on equity indices
 - ▶ A satellite strategy (the "Risk Management" strategy), which will act as a line of defense when the Carry strategy is under stress
- ◆ It has a "Eonia Plus" performance target, with no rate duration nor credit spread exposure, delivered with daily liquidity and offered in various currencies (CHF, EUR, GBP, JPY, SEK, USD)
- ◆ This fund is an extension of what has been implemented successfully with the Global Carry USD strategy since its launch in June 2017. It is best suited to investors with base currencies impacted by low rates, such as EUR, CHF, and JPY

POSITIONING

Alternative solution to traditional fixed income – UCITS fund with daily liquidity

OBJECTIVES

Target return: Eonia +5% – Target volatility: 5% – Controlled drawdowns

SUB-STRATEGIES ALLOCATION & EXPECTED BEHAVIOUR

CARRY (90%)

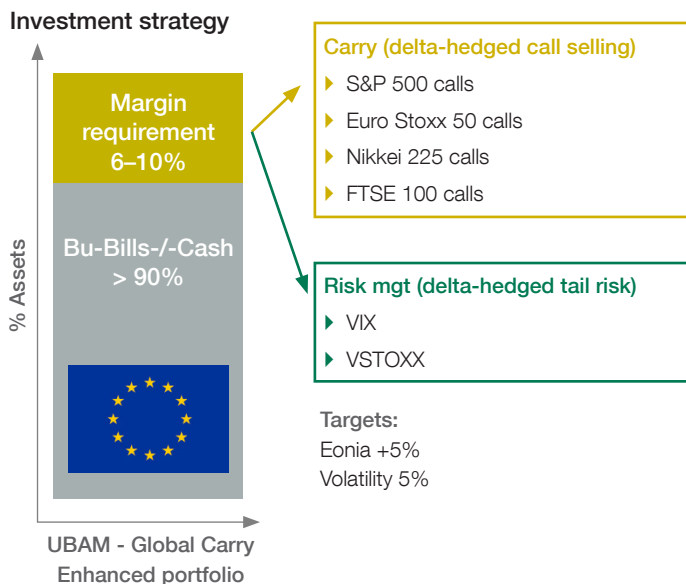
Steady positive performance with regular hits



RISK MANAGEMENT (10%)

Steady controlled negative performance, with regular spikes





◆ Carry strategy

- ▶ **Collecting premia on equity volatility** on four global equity indices, according to a regional split that is a fair proxy of the current MSCI World allocation
- ▶ Portfolio management based on **quantitative signals**:
 - ▶ Monthly adjustments based on trend-following signals observed over 6-, 9- and 12-month time horizons
 - ▶ Additional weekly adjustments to adapt to any trend changes

◆ Risk management strategy

- ▶ **Dynamic long volatility futures position and long equivalent (neutral) exposure in the underlying asset.** The aim is to protect the overall overlay bucket in case of turbulent markets

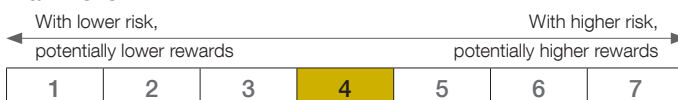
Investment guidelines

- ◆ Target return: Eonia +5%
- ◆ Target volatility: 5%
- ◆ Controlled drawdowns
- ◆ Market-neutral on rates (no duration)
- ◆ Market-neutral on equities (low equity sensitivity)

Investment team

- ◆ UBP Cross-Asset Solutions team
- ◆ Team of 5 seasoned investment professionals led by Philippe Henry with Geoffroy Gridel as senior PM
- ◆ Long track record in managing volatility strategies, including carry overlay
- ◆ Strong and rigorous risk management process

Main risks



Liquidity risk: Liquidity risk exists when particular investments are difficult to purchase or sell. This can reduce the Fund's returns because the Fund may be unable to transact at advantageous times or prices.

Counterparty risk: As the Fund uses over-the-counter derivatives, there is a risk that the counterparty to the transactions will wholly or partially fail to honour its contractual obligations. This may result in a financial loss to the Fund.

Credit risk: The Fund invests in bonds, cash or other money market instruments. There is a risk that the issuer may default. The likelihood of this happening will depend on the credit-worthiness of the issuer. The risk of default is usually greatest with bonds that are rated as sub-investment grade.

Currency risk: The Fund invests in overseas markets. It can be affected by changes in exchange rates which may cause the value of your investment to decrease or increase.

General information (Institutional share class IC)

Fund name	UBAM - Global Carry Enhanced
Legal structure	Luxembourg-incorporated SICAV, UCITS
Launch date	October 2018
Valuation day	Daily (D)
Subscription terms	Cut-off: D - 1BD; Settlement: D + 2BD
Redemption terms	Cut-off: D - 1BD; Settlement: D + 2BD
Fee structure	0.65% management fee; no performance fee
Minimum subscription	None
Currencies	EUR (base currency), CHF, GBP, JPY, SEK, USD
Currency hedging	Yes (against base currency)

Management company	UBP Asset Management (Europe) SA
Investment manager	Union Bancaire Privée, UBP SA, Geneva
Administrator	CACEIS Bank Luxembourg S.A.
Custodian	CACEIS Bank Luxembourg S.A.
Registrar/transfer agent	BNP Paribas Securities Services Luxembourg
Auditor	Deloitte Audit S.à.r.l., Luxembourg
Registration for sale	CH, DE, FR, IT, LU, SG, UK
ISIN	EUR: LU1861457635 ; USD: LU1861457809 CHF: LU1861458013 ; GBP: LU1861458443 SEK: LU1861458286 ; JPY: LU1861458799

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