



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

UBAM – US DOLLAR BOND

US government bond fund that can proactively diversify across fixed income segments

UBAM - US Dollar Bond provides investors with access to the US government bond market. The portfolio seeks to provide an attractive yield via an optimal allocation across fixed income segments and capital appreciation through curve and interest-rate strategies.

Key points

- *US Treasuries have historically exhibited an attractive risk/return profile*
- *Macroeconomic-driven investment process that aims to optimise allocation across fixed income segments*
- *US government bond fund that can invest in high-quality credit to enhance returns when the macroeconomic view is positive for corporate bonds*
- *Fourteen-strong investment team with considerable expertise in interest rates and credit and ten years' average experience*

Investment case

Government bonds form a significant part of balanced investment portfolios' asset allocations.

As well as providing attractive returns (they have averaged 5.8% per year since 1987 in the US), they have also demonstrated their ability to protect capital: the worst annual return for US Treasuries since 1987 was -3.7% (in 2009).

As a result of their attractive historic risk return profile, US government bonds make up a substantial proportion of balanced portfolios.

Sources: UBP, Bloomberg Finance L.P., ICE BofAML US Treasury Index since 1987, as at 31.12.2019.

Fund concept

UBAM - US Dollar Bond consists of a core portfolio that invests primarily in USD-denominated government debt. It has the ability to diversify into quasi-government debt and high-grade credit, offering a premium to government bond yields, and it also uses liquid, risk-budgeted fixed income overlay strategies – primarily curve and interest-rate strategies – to enhance returns.

Performance of major asset classes during previous crises: credit crisis and euro sovereign crisis

| | Credit crisis 2007/2008 | Euro sovereign crisis 2011/2012 |
|-----------------------------|----------------------------|------------------------------------|
| US Treasuries | +24.3% | +12.2% |
| USD investment-grade credit | -2.5% | +18.7% |
| USD high yield | -24.8% | +20.6% |
| S&P 500 | -33.5% | +18.4% |

Sources: UBP, Bloomberg, ICE BofAML indices, credit crisis (from 31.12.06 to 31.12.08), euro sovereign crisis (from 31.12.10 to 31.12.12).
Past performance is not indicative of future results.

The Fund is actively managed and aims to outperform the ICE BofAML US Treasury Index (the "Benchmark").
The Benchmark is representative of the Fund's investment universe and risk profile.

Investment process

The investment process focuses on optimising the allocation across fixed income segments using a top-down approach:

- Build a 6–9-month macroeconomic scenario based on in-house economic indicators and detailed analysis of global business cycles and monetary policies. Our internal indicators have proved consistently effective over the past 15 years.
- Identify the main market themes (e.g. quantitative easing, euro sovereign crisis, banking regulation) and their consequences for fixed income markets in terms of valuation and investor positioning
- Define our top-down allocation views in terms of duration, curve, country, swap and credit exposure and build a balanced portfolio
- Bottom-up fundamental credit research and relative value analysis form the basis of name and instrument selection in our credit holdings

Investment guidelines

- Benchmark: ICE BofAML US Treasury Master Index
- Minimum government and quasi-government bond exposure: 60%
- Minimum rating for an issuer: BBB-/Baa3
- Duration exposure: +/-2 years versus the benchmark
- No structured products (e.g. CDO, ABS, MBS)

Investment team

- Fourteen-strong team overseeing CHF 19.4 billion's worth of fixed income assets as of 31.12.2019
- Co-managers Christel Rendu de Lint and Philippe Gräub have successfully co-managed similar strategies for over fifteen years

General information

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|--|---|
| Name | UBAM - US Dollar Bond |
| Legal form | Sub-fund of UBAM, Luxembourg-domiciled SICAV, UCITS |
| Base currency | USD |
| Currency-hedged share classes | CHF, EUR, GBP, SEK |
| Cut-off time | 13:00 (LU time) |
| Inception date ¹ | 31.12.2007 |
| Minimum investment | None |
| Liquidity | Daily |
| Applicable management fee ² | AC USD: 0.50% IC USD: 0.25% UC USD: 0.25% |

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1. 6- to 9-month macroeconomic scenario

- Proprietary macroeconomic leading indicators (with 12-year track record)
- Detailed analysis of relevant global business cycle data
- Detailed analysis of central bank policies and reaction functions

2. Identification of overarching market themes

- Monetary policies : LTRO, Quantitative Easing
- European sovereign crisis
- Banking regulation (Basel III), etc.

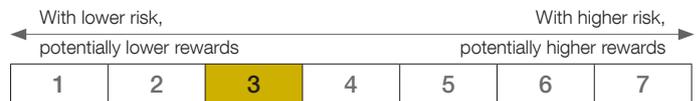
3. Top-down allocation view

- Duration exposure
- Curve exposure
- Country exposure
- Swap exposure
- Credit exposure

4. Bottom-up fundamental credit research & relative value

Name and instrument selection

SRRI



The SRRI (Synthetic Risk and Reward Indicator) relates to the IC USD share class LU0181361394 as of 19.02.2020 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.

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|-----------------------------------|--|
| Registered countries ³ | CH, DE, ES, FI, FR, IT, LU, NL, SE, SG, UK |
| ISIN | AC USD: LU0068133569; IC USD: LU0181361394; UC USD: LU0862297818 |
| Bloomberg ticker | AC USD: SCBMUSD LX; IC USD: SCBUIX LX |
| Investment manager | Union Bancaire Privée, UBP SA |
| Depository bank | BNP Paribas Securities Services, Luxembourg Branch |
| Administrator | CACEIS Bank, Luxembourg Branch |

¹Date on which the current investment team took over management.

²Only the main share classes are mentioned. Available share classes include A: Standard; I: Institutional; U: No entitlement to retrocessions / RDR-compliant; C: Capitalisation. Others are available.

³Please 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.