

For Professional Investors in Switzerland or Professional Investors as defined by the relevant laws  
Fund classification under the Sustainable Financial Disclosure Regulation (SFDR): Article 8

## UBAM - EM SUSTAINABLE CORPORATE BOND

Access the enhanced return potential of sustainable emerging-market corporate bonds offering attractive yields and diversification with low credit risk

UBAM - EM Sustainable Corporate Bond provides investors with access to sustainable emerging-market (EM) bonds denominated in hard currencies, which offer attractive yields and sustainable return potential.

### Key points

- *Sustainable exposure to emerging markets*
- *Focus on EM corporate issuers with superior ESG credentials than their peers*
- *Investment process combining thorough credit analysis and positive ESG selection*
- *Emphasis on diversification, risk-management and portfolio liquidity*

### Investment case

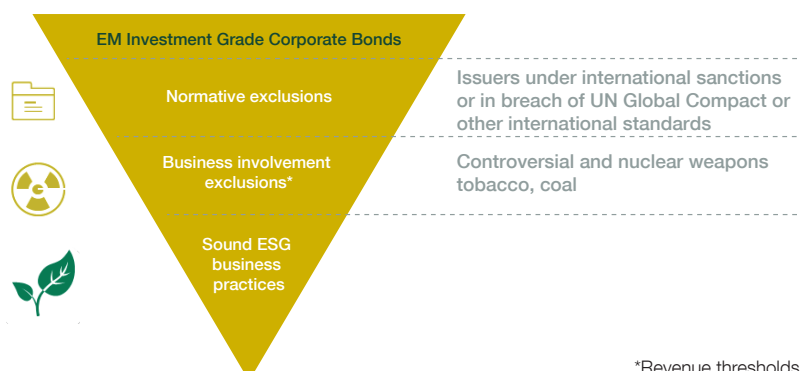
The number of EM corporate issuers with responsible and sustainable business practices has been growing in recent years. As a result, the sustainable emerging-market (EM) corporate bond market is today a sizeable, growing and well-diversified asset class, which gives investors access to private-sector issuers with strong Environmental, Social and Governance (ESG) credentials, located in the fastest growing regions of the world.

The strategy aims to offer high risk-adjusted return potential by selecting best-in-class issuers in terms of ESG, while avoiding or limiting exposure to companies in predefined controversial business areas.

This is combined with the advantages of investing in EM corporate bonds, which offer attractive yields and have demonstrated their high risk-adjusted return potential. The portfolio has limited correlation with other asset classes and is a good way of diversifying a bond portfolio.

### Fund concept

UBAM - EM Sustainable Corporate Bond invests exclusively in sustainable corporate and quasi-sovereign investment-grade bonds issued by companies with strong links to emerging markets. The investable ESG universe is selected by a rigorous process combining positive ESG selection with thorough credit analysis. It includes companies with strong ESG credentials, and avoids or limits exposure to those in breach of international norms like the UN Global Compact, or involved in controversial weapons, tobacco or thermal coal. All bonds are denominated in hard currencies such as the US dollar and the euro. It is an actively managed fund that aims to outperform EM corporate bonds over an investment cycle and aims to achieve a higher ESG score than its index. Subscription and redemption of fund units take place daily.

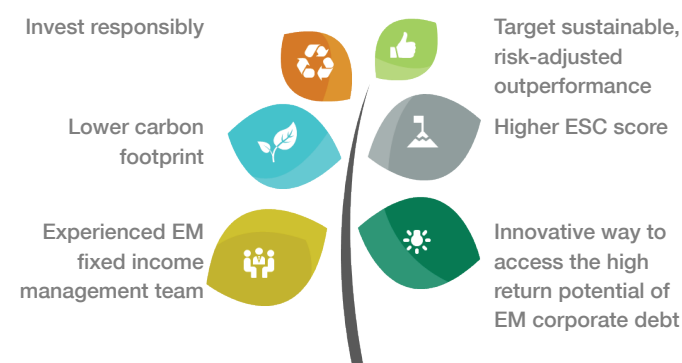


\*Revenue thresholds may apply

Source: UBP

## Investment process

- The fund's investment process combines the UBP EM Corporate Bond Management process with ESG selection.
- The EM Corporate, Quasi-Sovereign and Green Bonds universe is reduced to an ESG investable universe by selecting the issuers that have the best ESG practices, that are not involved in any major controversies with respect to global norms, or that contribute to any pre-defined controversial activities.
- UBP's traditional EM corporate bond management process, combining top-down and bottom-up approaches, is then applied to the investable universe.
- In particular, thorough credit reviews, including quantitative and qualitative analysis, are conducted on all issuers. This is combined with additional ESG analysis aiming at factoring positive ESG considerations into the bond selection process.
- The fund uses risk management to maintain a high level of diversification and liquidity in the portfolio, in order to ensure high and consistent risk-adjusted returns over the investment cycle.
- Engagement with EM issuers is handled by the investment team, and/or a third-party engagement manager.



Source: UBP

## General information

Name	UBAM - EM Sustainable Corporate Bond
Legal form	Sub-fund of UBAM, Luxembourg-domiciled SICAV, UCITS
Base currency	USD
Currency-hedged share classes	CHF, EUR, GBP, SEK, SGD
Cut-off time	13:00 (LU time)
Inception date	28.09.2018
Minimum investment	None
Liquidity	Daily
Applicable management fee <sup>1</sup>	AC USD: 1.30%; IC USD: 0.65%; UC USD: 0.65%
Registered countries <sup>2</sup>	AT, CH, DE, DK, ES, FI, FR, IT, LU, NL, NO, SE, SG, UK
ISIN	AC USD: LU1668157388; IC USD: LU1668159244; UC USD: LU1668160929

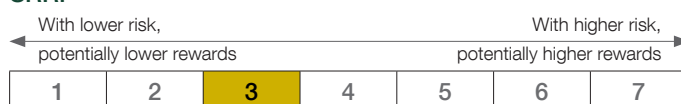
## Investment guidelines

- No company under international sanctions, or in breach of UN Global Compact or other international standards
- No controversial weapons (cluster bombs, landmines, nuclear weapons); no tobacco (5% revenue threshold); no companies generating 10% or more of their revenue from thermal coal extraction; no utilities generating 20% or more of their revenues from coal-fired electricity
- Maximum total allocation to sovereign issuers: 20%
- The Fund is not managed in reference to a benchmark.

## Investment team

- Seasoned team of professionals entirely devoted to emerging fixed-income markets and comprising portfolio managers, and four credit analysts
- Supported by UBP's global presence and research teams on the ground

## SRRI



The SRRI (Synthetic Risk and Reward Indicator) relates to the IC USD share class LU1668159244 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

Bloomberg ticker	AC USD: UBESHGAC LX; IC USD: UBESHGIC LX
Investment manager	Union Bancaire Privée, UBP SA
Depositary bank	BNP Paribas Securities Services, Luxembourg Branch
Administrator	CACEIS Bank, Luxembourg Branch

<sup>1</sup>Only the main share classes are mentioned. Available share classes include A: Standard; I: Institutional; U: No entitlement to retrocessions / RDR-compliant; C: Capitalisation; P: Performance-fee. Others are available.

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