

# UBP Asset Management (Europe) S.A.

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R.C.S. Luxembourg N° B 177 585

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## INFORMATION AND NOTICE TO THE SHAREHOLDERS OF UBAM - EMERGING MARKETS FRONTIER BOND

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Luxembourg, 26 January 2024

Dear Shareholders,

UBP Asset Management (Europe) S.A. (hereafter the "Management Company"), with the consent of the Board of Directors of UBAM informs you of the following decisions relating to UBAM - Emerging Markets Frontier Bond (the Sub-Fund):

Starting from 26 February 2024, date on which the changes described below will be applied (the "Effective Date"), the Sub-Fund's current investment policy will be replaced as per the below (changes highlighted in **bold**):

### **Current investment policy**

*Sub-Fund actively managed denominated in USD and which at any time invests a majority of its net assets in fixed or variable-rate bonds in hard currencies such as (but not limited to) EUR or USD, issued by Public Authorities or quasi sovereigns which are:*

- *domiciled in Frontier countries, or;*
- *domiciled in any country whose underlying is economically linked, directly or indirectly, to an issuer domiciled in a Frontier country, or;*
- *linked to Frontier countries' risks.*

*The exposure to these markets can be direct or via the use of derivative financial instruments such as but not limited to CDS.*

*As an exception to the general rule applicable to bond Sub-Funds, this Sub-Fund will be able to invest up to 100% of its net assets in High Yield products and/or transferable securities of frontier countries according to the rating rules in section "[Bond Sub-Funds](#)", and, up to 20% in Contingent Convertible bonds. The exposure to High Yield and frontier countries can be increased up to 120% through derivatives.*

*Moreover, the Sub-Fund's net assets may be invested in frontier corporate bonds up to 20%.*

*Bonds denominated in a hard currency other than USD (e.g. EUR) will be hedged.*

*Overall, up to 20% of the Sub-Fund's net assets may be carried out in countries' local currencies.*

*Sub-Fund's investments will only be made on regulated markets which operate regularly and are recognised and open to the public.*

*Frontier countries include, but are not limited to: Angola, Armenia, Azerbaijan, Belarus, Belize, Bolivia, Cameroon, Costa Rica, Cote D'Ivoire, El Salvador, Ethiopia, Gabon, Georgia, Ghana, Guatemala, Honduras, Jamaica, Jordan, Kenya, Mongolia, Mozambique, Namibia, Nigeria, Pakistan, Papua New Guinea, Paraguay, Senegal, Sri Lanka, Suriname, Tajikistan, Tunisia, Uzbekistan, Vietnam and Zambia.*

*Please refer to the Frontier countries related risks in the "[RISK FACTORS](#)" chapter of this prospectus*

*The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities (Article 7 of EU Taxonomy Regulation).*

*The net asset value is expressed in USD.*

*Standard investor profile: this Sub-Fund is suitable for investors who need a well-diversified bond allocation in their portfolio, but with a high-risk profile due to high volatility linked to investments in low*

*rating frontier markets bonds. Investors should have experience in volatile products and financial markets, and more specifically those relating to frontier countries. They should have a minimum investment horizon of 3 years and should be able to accept significant losses.*

- Risk Calculation: commitment approach

### **New Investment policy**

Sub-Fund actively managed denominated in USD and which at any time invests **at least 60%** of its net assets in fixed or variable-rate bonds in **any currencies including Emerging currencies**, issued by Public Authorities, quasi sovereigns **or corporate** which are:

- domiciled in Frontier countries, or;
- domiciled in any country whose underlying is economically linked, directly or indirectly, to an issuer domiciled in a Frontier country, or;
- linked to Frontier countries' risks.

The exposure to these markets can be direct or via the use of derivatives such as but not limited to CDS.

**As an exception to the general rule applicable to bond Sub-Funds, this Sub-Fund will be able to invest up to 100% of its net assets in High Yield products and/or transferable securities of Emerging countries according to the rating's rules in section "[Bond Sub-Funds](#)". The exposure to High Yield and Emerging countries can be increased up to 150% net of its net assets through derivatives, excluding foreign currencies exposure.**

**The Sub-Fund may also invest up to:**

- **10% in EM fixed Income ETFs,**
- **20% in Contingent Convertible bonds**

**Up to 40% of the Sub-Fund's net assets may be carried out in countries' local currencies. Investments in other currencies than the Sub-Fund's currency (USD) may or may not be hedged at the Investment Manager discretion.**

**The Sub-Fund can invest in FX and credit derivatives such as but not limited to : Index CDS, CDS, FX forwards (including NDFs), FX Options, Interest Rate Swaps, Futures, Options, Credit linked notes, FX linked notes.**

Frontier countries include, but are not limited to: Angola, Armenia, Azerbaijan, Belarus, Belize, Bolivia, Cameroon, Costa Rica, Cote D'Ivoire, El Salvador, Ethiopia, Gabon, Georgia, Ghana, Guatemala, Honduras, Jamaica, Jordan, Kenya, Mongolia, Mozambique, Namibia, Nigeria, Pakistan, Papua New Guinea, Paraguay, Senegal, Sri Lanka, Suriname, Tajikistan, Tunisia, Uzbekistan, Vietnam and Zambia.

Please refer to the Frontier countries related risks in the "[RISK FACTORS](#)" chapter of this prospectus

The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities (Article 7 of EU Taxonomy Regulation).

The net asset value is expressed in USD.

Standard investor profile: this Sub-Fund is suitable for investors who need a well-diversified bond allocation in their portfolio, but with a high-risk profile due to high volatility linked to investments in low rating frontier markets bonds. Investors should have experience in volatile products and financial markets, and more specifically those relating to frontier countries. They should have a minimum investment horizon of 3 years and should be able to accept significant losses.

- Risk Calculation: commitment approach

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Shareholders of UBAM - Emerging Markets Frontier Bond who do not agree with the aforementioned changes will have the option of requesting the redemption of their shares free of charge for a period of one month starting from the date of publication of this notice up until the Effective Date.

UBP Asset Management (Europe) S.A.