

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

## UBAM – MEDIUM TERM US CORPORATE BOND

### Capture the opportunities of the US credit market using a proactive macro-driven approach

The UBAM - Medium Term US Corporate Bond provides investors with access to the USD-denominated investment-grade credit market. The portfolio's credit exposure is managed proactively by an investment team with considerable credit expertise.

#### Key points

- *Proactive management of credit exposure via disciplined implementation of our top-down views*
- *Moderate interest-rate exposure of circa 4 years – 3 years shorter than the overall USD credit market*
- *Sector-based approach to fundamental, bottom-up research*
- *Risk management at all steps of the investment process: real-time monitoring of the portfolio's P&L*

#### Investment case

USD investment-grade corporate bonds form a significant part of balanced investment portfolios' asset allocations.

As well as providing attractive returns the fund offers a historical annualised gross return of 6.5%. The asset class has also demonstrated contained volatility of 4.0% (annualised).

USD-denominated, investment-grade credit offers an appealing and diversified income exposure.

Sources: UBP, Bloomberg, ICE BofAML 1-10 Year US Corporate Index (C5A0) since 31 December 1986, as at 31 December 2019.

#### Fund concept

UBAM - Medium Term US Corporate Bond is a USD investment-grade credit fund with a moderate average maturity.

The fund's interest-rate exposure is 3 years shorter than that of the broader USD corporate credit market. This is one of the fund's defining features, and could make it of particular interest to investors in this flat-curve environment: there is no value in extending the maturity of a credit portfolio beyond 4 years, as investors do not get compensated for taking more credit and interest-rate risks.

The fund consists of a core portfolio that invests primarily in USD-denominated credit issued by a diverse range of financial and non-financial companies. Managing the portfolio's credit exposure relative to the market (its beta) is based on a top-down approach, while companies are selected using a bottom-up, fundamental process.

#### The 1–10-year maturity segment is the sweet spot in USD investment-grade credit, in comparison with the all-maturity segment

	UBAM – Medium Term US Corporate Bond	USD investment- grade market
Modified duration	4.2	7.4
Carry & roll-down, in %	2.9	3.3
Annualised return (since 1987), in %	6.5	7.0
Annualised volatility (since 1987), in %	4.0	5.1
Returns during crisis:		
Bond crash 1994, in %	-2.0	-3.3
Bond crash 1999, in %	0.2	-1.9
Credit crisis 2008, in %	-6.8	-6.8
Taper tantrum, 2013, in %	0.1	-1.5

Sources: UBP, ICE BofAML indices as at 31 March 2019.  
Carry, roll-down and bid-offer: ICE BofAML 1-10 Year Corporate Index (C5A0) and ICE BofAML US Corporate Index.  
Return (COAO), volatility, Bond crash 1994, Bond crash 1999, Credit crisis 2008, Taper tantrum 2013.  
ICE BofAML 1-10 Year US Corporate Index and ICE BofAML US Corporate Index.  
Past performance is not indicative of future results.  
The Fund is actively managed and aims to outperform the ICE BofAML 1-10 Year US Large Cap Corporate Index (the "Benchmark") with an average maturity of circa 5 years. The Benchmark is representative of the Fund's investment universe and risk profile.

## Investment process

Investment process based on three main dimensions – top-down, bottom-up and relative-value analysis:

- Top-down input is crucial: our macroeconomic view drives the fund's credit exposure and its broad sector allocation;
- Bottom-up credit research focusing on default risk and expected performance versus peers drives company selection;
- Relative-value analysis determines the instruments that offer the best risk–return profile.

## Investment guidelines

- Benchmark: ICE BofAML Corporates 1–10-years index
- Minimum rating for an individual issuer: BBB-/Baa3
- Well diversified in financials and non-financials
- Average number of issuers: around 100
- No structured products (e.g. CDO, ABS, MBS)

## Investment team

- Fourteen-strong team overseeing CHF 19.4 billion worth of fixed-income assets as at 31 December 2019
- Co-managers Christel Rendu de Lint and Philippe Gräub have successfully co-managed similar strategies for over fifteen years

## General information

Name	UBAM - Medium Term US Corporate Bond
Legal form	Sub-fund of UBAM, Luxembourg-domiciled SICAV, UCITS
Base currency	USD
Currency-hedged share classes	CHF, EUR, GBP, ILS, SEK, SGD
Cut-off time	13:00 (LU time)
Inception date <sup>1</sup>	31.12.2007
Minimum investment	None
Liquidity	Daily
Applicable management fee <sup>2</sup>	AC USD: 0.50%; IC USD: 0.35%; UC USD: 0.35%

## Disclaimer

This is a marketing document and is intended for informational and/or marketing purposes only. This document is confidential and intended only for the use of the person(s) to whom it was delivered. It may not be reproduced (in whole or in part) or delivered, given, sent or in any other way made accessible to any other person without the prior written approval of Union Bancaire Privée, UBP SA or any entity of the UBP Group ("UBP"). This document reflects the opinion of UBP as of the date of issue. This document is for distribution only to persons who are Qualified Investors in Switzerland, or Professional Clients, Eligible Counterparties or an equivalent category of investors as defined by the relevant laws (all such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. It is not intended for distribution, publication, or use, in whole or in part, in any jurisdiction where such distribution, publication, or use would be unlawful, nor is it directed at any person or entity at which it would be unlawful to direct such a document. In particular, this document may not be distributed in the United States of America and/or to US persons (including US citizens residing outside the United States of America). This document has not been produced by UBP's financial analysts and is not to be considered financial research. It is not subject to any guidelines on financial research and independence of financial analysis. Reasonable efforts have been made to ensure that the content of this document is based on information and data obtained from reliable sources. However, UBP has not verified the information from third sources in this document and does not guarantee its accuracy or completeness. UBP makes no representations, provides no warranty, and gives no undertaking, express or implied, regarding any of the information, projections or opinions contained herein, nor does it accept any liability whatsoever for any errors, omissions or misstatements. The information contained herein is subject to change without prior notice. UBP gives no undertaking to update this document or to correct any inaccuracies in it which may become apparent. This document may refer to the past performance of investment interests. Past performance is not a guide to current or future results. The value of investment interests can fall as well as rise. Any capital invested may be at risk and investors may not get back some or all of their original capital. Any performance data included in this document does not take into account fees, commissions, and expenses charged on issuance and redemption of securities, nor any taxes that may be levied. Changes in exchange rates may cause increases or decreases in investors' returns. All statements other than statements of historical fact in this document are "forward-looking statements". Forward-looking statements do not guarantee future performances. The financial projections included in this document do not represent forecasts or budgets, but are purely illustrative examples based on a series of current expectations and assumptions which may not eventuate. The actual performance, results, financial condition and prospects of an investment interest may differ materially from those expressed or implied by the forward-looking statements in this document as the projected or targeted returns are inherently subject to significant economic, market and other uncertainties that may adversely affect performance. UBP also disclaims any obligation to update forward-looking statements, as a result of new information, future events or otherwise. None of the contents of this document should be construed as advice or any form of recommendation to purchase or sell any securities or funds. This document does not replace a prospectus or any other legal documents, which can be obtained free of charge from the registered office of the fund they relate to, or from UBP. The opinions herein do not take into account individual investors' circumstances, objectives, or needs. Each investor must make his/her own independent decision regarding any securities or financial instruments mentioned herein and should independently determine the merits or suitability of any investment. In addition, the tax treatment of any investment in the fund(s) mentioned herein depends on each individual investor's circumstances and may be subject to change in the future. Investors are invited to carefully read the risk warnings and the regulations set out in the prospectus or other legal documents and to seek professional financial, legal and tax advice. This document should not be deemed an offer nor a solicitation to buy, subscribe to, or sell any currency, funds, products, or financial instruments, to make any investment, or to participate in any particular trading strategy in any jurisdiction where such an offer or solicitation would not be authorised, or to any person to whom it would be unlawful to make such an offer or solicitation. Telephone calls to the telephone number stated in this document may be recorded. UBP will assume that by calling this number you consent to such recording. UBP is authorised and regulated in Switzerland by the Swiss Financial Market Supervision Authority and is authorised in the United Kingdom by the Prudential Regulation Authority. UBP is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Any subscriptions not based on the funds' latest prospectuses, KIIDs, annual or semi-annual reports or other relevant legal document shall not be acceptable. The latest prospectus, articles of association, KIID and annual and semi-annual reports of the funds presented herein (the "Funds' Legal Documents") may be obtained free of charge from Union Bancaire Privée, UBP SA, 96-98 rue du Rhône, P.O. Box 1320, 1211 Geneva 1 ("UBP"). The Funds' Legal Documents may also be obtained free of charge from UBP Asset Management (Europe) S.A., 287-289 route d'Arlon, 1150 Luxembourg, Grand Duchy of Luxembourg, and from Union Bancaire Gestion Institutionnelle (France) SAS, 116 avenue des Champs-Élysées, 75008 Paris, France. The Swiss representative and paying agent of the foreign funds mentioned herein is UBP. The Funds' Legal Documents may be obtained free of charge from UBP, as indicated above.

## 1. Top-down

- Macro scenario and top-down allocation view drives overall credit exposure ("beta"), as well as sector selection

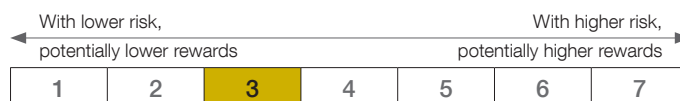
## 2. Bottom-up

- Fundamental bottom-up credit research drives name selection within top-down framework.

## 3. Relative value

- Instrument selection as a key yield enhancer

## SRRI



The SRRI (Synthetic Risk and Reward Indicator) relates to the IC USD share class LU0146925176 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.

Registered countries <sup>3</sup>	AT, CH, CL, DE, ES, FI, FR, IT, LU, NL, NO, SE, SG, TW, UK
ISIN	AC USD: LU0146923718; IC USD: LU0146925176; UC USD: LU0862299434
Bloomberg ticker	AC USD: UBCORBD LX; IC USD: UBCORIC LX
Investment manager	Union Bancaire Privée, UBP SA
Depository bank	BNP Paribas Securities Services, Luxembourg Branch
Administrator	CACEIS Bank, Luxembourg Branch

<sup>1</sup>The investment objective was redefined on 31.12.2007.

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

<sup>3</sup>Please 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.