



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

UBAM - EURO CORPORATE IG SOLUTION

Optimising income in EUR while maintaining similar risk characteristics as the euro investment-grade corporate bond market

UBAM - Euro Corporate IG Solution is an innovative fund that provides liquid exposure to the European investment-grade market through a top-down investment process.

Key points

- *Outperformance of CDS strategies over cash bond strategies over the long term and during crises*
- *Investment-grade portfolio with a typical maturity of 5 years and no economic leverage*
- *Top-down macroeconomic-driven process to actively manage the interest rate and credit exposure*
- *Use of standardised and cleared interest rate and credit derivatives*
- *Experienced investment professionals with expertise in European investment-grade bond and derivative markets*

Investment case

UBAM - Euro Corporate IG Solution was launched with the aim of optimising income in EUR while maintaining similar risk characteristics as the euro investment-grade corporate bond market. The fund uses cleared, liquid CDS indices for credit exposure and fixed income interest rate futures for rate exposure.

Fund concept

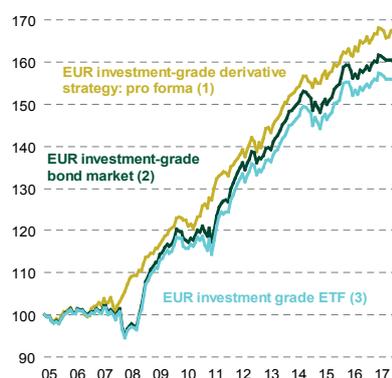
UBAM - Euro Corporate IG Solution is an innovative fund that offers liquid exposure to the European investment-grade market, maintaining abundant liquidity thanks to its exclusive use of CDS indices for credit exposure.

The investment-grade CDS index market offers high liquidity in all market conditions, in particular compared with the traditional bond market, along with very tight and stable bid-offer spreads.

At the neutral point, the fund's risk characteristics of interest rate and credit spread exposure will always match that of the European investment-grade market.

UBAM - Euro Corporate IG Solution is actively managed with the ability to vary interest rates +/- 2 years, credit spreads +/- 2 years and allocate 'a maximum of 25% to the US.

Outperformance of a EUR IG derivate strategy vs the EUR investment-grade market



	Strategy (1)	Bond market (2)	ETF (3)
Annualised return	4.3%	3.8%	3.6%
Annualised volatility	2.9%	3.6%	3.7%
Sharpe ratio ^{a)}	1.6	1.1	1.0
Maximum drawdown ^{b)}	-4.6%	-7.7%	n.a. ^(*)

(*) not relevant: no track-record in 2008 for the ETF. The ETF was launched on 09.03.2009. The annualised return and annualised volatility above refer to a composite made of the benchmark of the ETF before 09.03.2009 and the net returns of the ETF from 09.03.2009

Sources: UBP, Bloomberg Finance L.P., J.P. Morgan, as at 29.06.2018 – since 31.12.2005.

Gross performance does not include any applicable management fees or expenses.

Pro forma returns are hypothetical (do not reflect trading in actual accounts) and are provided for informational purposes only.

(1) Pro forma composite, after fees in EUR: iTraxx Main Europe (spread adjusted for ERL0) + 5-year Bund future (modified duration adjusted for ERL0) + eonia index total return. Fee applied is TER of 35bp

(2) Index ICE BofAML Euro Large Cap Corporates: total return before fees in EUR (ERL0)

(3) Composite: after 09.03.2009 – ETF inception = iShares Core € Corp Bond UCITS ETF: net of fees (TER = 20 bps); before 09.03.2009 = Bloomberg Barclays Euro Corporate Bond index (no fees), i.e. the ETF's benchmark

a) No risk free rate, b) Maximum drawdown: peak to trough.

Past performance is not an indicator of future results.

The Fund is actively managed and aims to outperform the ICE BofAML Euro Large Cap Corporate Index (the "Benchmark").

This Benchmark is representative of the Fund's risk profile in terms of interest rate duration and spread duration.

Investment process

The UBAM - Euro Corporate IG Solution's investment process is based on our Fixed Income team's proven macro-driven approach:

- We determine a 6–9-month macroeconomic scenario based on in-house economic indicators and the analysis of business cycles and monetary policies in the main geographical areas. Our in-house indicators have proven consistently effective over the past fifteen years.
- We identify the main market themes, such as monetary policies (LTRO, QE), the eurozone sovereign crisis, banking regulations and their consequences for the investment-grade segment in terms of valuations and investor positioning.
- The resulting top-down allocation view determines our interest rate exposure, credit spread exposure and geographical allocation.

Investment guidelines

- Investment-grade only
- Interest rate exposure: +/- 2 years versus EUR IG market
- Credit spread exposure: +/- 2 years versus EUR IG market
- Maximum exposure to US: 25%

Investment team

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

General information

Name	UBAM - Euro Corporate IG Solution
Legal form	Sub-fund of UBAM, Luxembourg-domiciled SICAV, UCITS
Base currency	EUR
Currency-hedged share classes	CHF, GBP, SEK, USD
Cut-off time	13:00 (LU time)
Inception date	10.07.2018
Minimum investment	None
Liquidity	Daily
Applicable management fee ¹	AC EUR: 0.25% IC EUR: 0.15% UC EUR: 0.15%

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 Supervisory 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'Arion, 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.

Asset allocation is our key added value in generating outperformance

1. 6- to 9-month macroeconomic scenario

- Proprietary macroeconomic leading indicators (with near 20-year track record)
- Detailed analysis of relevant global business cycle data
- Detailed analysis of central bank policies and reaction functions

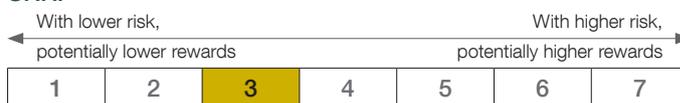
2. Identification of overarching market themes

- Monetary policies: LTRO, quantitative easing
- European sovereign crisis
- Banking regulations (Basel III), etc.

3. Top-down allocation view

- Interest rate exposure +/- 2 years
- Credit spread exposure +/- 2 years
- Max 25% allocation to US

SRRI



The SRRI (Synthetic Risk and Reward Indicator) relates to the IC EUR share class LU1808451352 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 ²	AT, CH, DE, DK, ES, FI, FR, IT, LU, NL, NO, PT, SE, SG, UK
ISIN	AC EUR: LU1808450032 IC EUR: LU1808451352 UC EUR: LU180845232
Bloomberg ticker	AC EUR: UBHGAEC LX IC EUR: UBHGIEC LX
Investment manager	Union Bancaire Privée, UBP SA
Depository bank	BNP Paribas Securities Services, Luxembourg Branch
Administrator	CACEIS Bank, Luxembourg Branch

¹Only 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.

²Please 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.