



THE DRIVE YOU DEMAND

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

UBAM - EMERGING MARKET SOVEREIGN BOND

Take advantage of investment opportunities in emerging sovereign bond markets through an innovative thematic approach.

UBAM – Emerging Market Sovereign Bond invests primarily in emerging market (EM) sovereign and quasi-sovereign bonds denominated in hard currencies, and aims to outperform its benchmark. UBP’s EM fixed income team combines the results of in-house fundamental and macro analysis with an innovative thematic approach to uncover attractive investment opportunities. It also applies a strict risk-monitoring process, with a particular focus on liquidity and diversification.

Key points

- ◆ *Attractive yields*
- ◆ *Improving EM fundamentals*
- ◆ *Developing and exploiting long- and short-term global investment themes with a local impact by using a multidimensional, in-house-analysis process*
- ◆ *Actively-managed fund with focus on high liquidity and diversification*
- ◆ *Experienced investment team with a proven track record in managing EM fixed-income products*

Investment case

The EM sovereign and quasi-sovereign bond market is a well-diversified asset class which offers attractive yields compared with developed market bonds, and benefits from the ongoing improvements in EM macro fundamentals. As many EM economies are highly integrated into the global economy, the fund’s innovative approach aims to identify global macro themes that have an impact on EM domestic economies. In addition, in-depth country and credit analysis is key to limiting idiosyncratic risks and uncovering potentially uncorrelated sources of alpha.

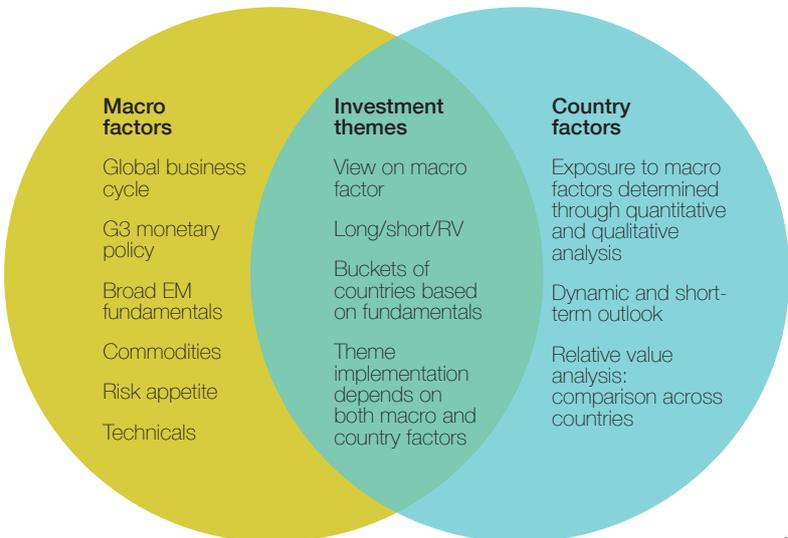
Fund concept

The fund invests mainly in hard-currency EM sovereign and quasi-sovereign bonds with no rating restrictions. It is actively managed and follows an innovative approach which uses the results of in-house macroeconomic and fundamental country research to create thematic trade opportunities.

Up to 20% may be invested in EM corporate bonds and local debt to increase diversification.

The experienced team seeks to generate alpha by using market inefficiencies and global and local trends with the aim of outperforming the JPMorgan – EMBI Global Diversified index by 100 bp, with a tracking error of 200 bp.

Subscriptions and redemptions are daily.



Investment process

- ◆ Top-down allocation based on a proprietary macro-scoring system, which helps to define the portfolio's key metrics and credit allocation.
- ◆ Quantitative and qualitative in-house country analysis to set long- and short-term positioning and relative value assessment between different countries.
- ◆ Developing investment themes based on global trends that affect EMs' local economies.
- ◆ Strict risk-management of ex-ante tracking error, diversification and liquidity.

Investment guidelines

- ◆ Benchmark index: JPMorgan - EMBI Global Diversified
- ◆ Interest rate duration: benchmark +/- 2 years, managed with US futures
- ◆ Spread duration: benchmark +/- 2 years
- ◆ Maximum total allocation to non-EM sovereign/quasi-sovereign bonds: 20% (EM corporate bonds or local bonds)

Investment team

- ◆ A seasoned team of eight professionals entirely devoted to emerging markets, including four portfolio managers, three credit analysts and one macro & FX strategist
- ◆ Supported by UBP's global presence and research teams

General information

Fund name	UBAM
Sub-fund name	UBAM - Emerging Market Sovereign Bond
Legal form of the fund	Luxembourg-incorporated umbrella SICAV, UCITS
Launch date	31 August 2017
Bid/offer price	NAV
Currency	USD (EUR/CHF/SEK/SGD/HKD/GBP)
Subscription/redemption	Daily
Management fee	A: 1.3%; I, U: 0.65%;
Performance fee	A, I, U: no
Management company	UBP Asset Management (Europe) S.A.
Investment manager	Union Bancaire Privée, UBP SA

Three key dimensions in building portfolios

Global market trends <ul style="list-style-type: none"> ◆ Global business cycle ◆ G3 monetary policy ◆ Broad EM fundamentals ◆ Commodities ◆ Risk appetite ◆ Technicals 	Fundamental country analysis <ul style="list-style-type: none"> ◆ Quantitative and qualitative analysis ◆ Dynamic, short-term outlook ◆ Relative value analysis: comparison across countries based on proprietary tools 	Investment themes <ul style="list-style-type: none"> ◆ Themes exploiting global macro trends and their diverse impact on countries ◆ Long, short, or relative-value in nature, depending on investment theme
Portfolio's key metrics (e.g. duration and beta) and allocation	Country views and bottom-up security selection	Investment themes

Portfolio construction & risk monitoring

Main risks



The Synthetic Risk and Reward Indicator (SRRRI) relates to the IC USD share class LU1668154799 as at 31.01.2019. This indicator represents the annual historical volatility of the fund. The risk category reflects the risk/return profile: 1 lowest; 2 low; 3 limited; 4 average/moderate; 5 high; 6 very high; 7 highest risk. Historical data such as that used to calculate the SRRRI 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.

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 at whom 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.

Union Bancaire Privée, UBP SA

Rue du Rhône 96-98 | P.O. box 1320 | 1211 Geneva 1 | Switzerland | ubp@ubp.com | www.ubp.com