



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 - US HIGH YIELD SOLUTION

Liquid exposure to the high-return potential of high-yield credit

UBAM - US High Yield Solution provides liquid exposure to the high-return potential of high-yield credit through a top-down investment process

Key points

- *Outperformance of CDS strategies over cash bond strategies over the long term and during crises*
- *The fund offers exposure to high-yield investments with high liquidity, broad diversification and intermediate duration*
- *Macro-driven investment process that has proved effective in determining high-yield and interest exposure*
- *Experienced, fourteen-strong investment team with considerable expertise in credit and high-yield CDS indices*
- *Award-winning strategy recognised for its superior advantages*

Investment case

US high-yield bonds have proved to be an attractive alternative to equities by offering lower volatility and higher returns.

The environment remains positive for high yield, with default rates at low levels.

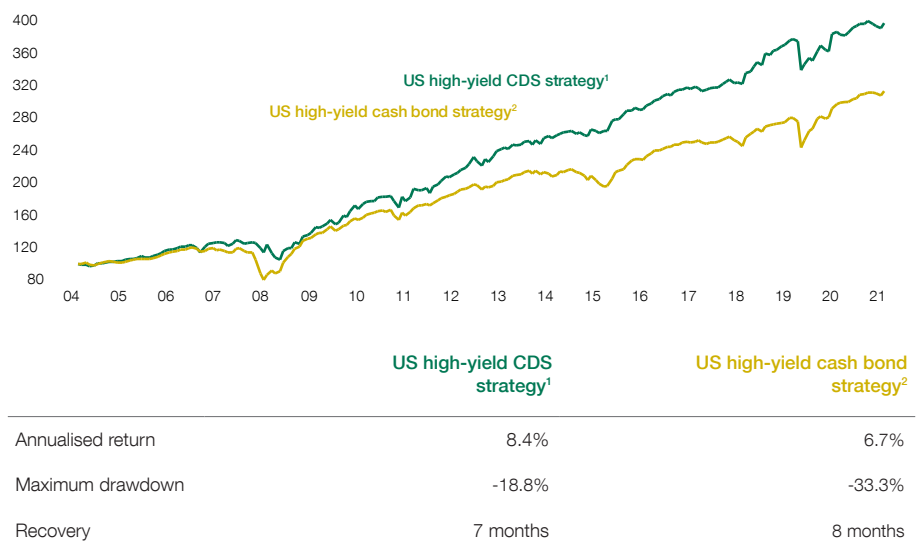
Fund concept

UBAM - US High Yield Solution offers liquid exposure to the high-return potential of high-yield credit through the exclusive use of high-yield CDS indices.

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

The fund enables investors to achieve full exposure to the high-yield universe by offering a diversified allocation to the most liquid non-investment-grade issuers in the US: 100 equally-weighted constituents of the US high-yield CDS index.

US high-yield CDS strategies vs. US high-yield cash bonds since 31.12.2004



Sources: Bloomberg Finance L. P., Merrill Lynch, JP Morgan and UBP, as of 31 December 2021

The performance shown is not that of the fund.

¹Track record of simulated past performance gross of fees based on a representative benchmark composite: CDX US High Yield and BoFA ML 3-5-year US Treasury index.

²ICE BofAML US High Yield index.

Past performance is not a reliable indicator of future performance.

Investment process

The UBAM - US High Yield 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, the eurozone sovereign crisis, banking regulations and their consequences for the high-yield segment in terms of valuations and investor positioning.
- The resulting top-down allocation view determines our high-yield exposure, interest-rate sensitivity and geographical allocation.

Investment guidelines*

- High-yield exposure from 80% to 120% using standardised, liquid and cleared CDS indices
- Interest rate target exposure: 0–6 years, primarily via US Treasuries; the strategy is also available in an interest-rate-hedged format
- Minimum of 80% in US high yield
- Diversification of up to 20% across:
 - Regions: European high yield and EM sovereign (EM: tactical and opportunistic)
 - Ratings: US investment grade
- No structured products

Investment team

- Fourteen-strong team overseeing CHF 16 billion worth of fixed-income assets as of 31 December 2021
- Proven expertise in high-yield CDS index management
- Led by Philippe Gräub, who has over twenty years' financial markets experience

General information

Name	UBAM - US High Yield Solution
Legal form	Sub-fund of UBAM, Luxembourg-domiciled SICAV, UCITS
Base currency	USD
Currency-hedged share classes	CHF, EUR, GBP, SEK
Cut-off time	13:00 (LU time)
Inception date	23.11.2016
Minimum investment	None
Liquidity	Daily
Applicable management fee ¹	AC USD: 0.70% IC USD: 0.45% UC USD: 0.45%
Registered countries ²	AT, CH, DE, ES, FI, FR, IT, LU, NL, SE, SG, UK

*All portfolio exposures indicated are as measured at the time of investment, unless otherwise specified. While UBP generally expects to adhere to those exposures under normal market conditions, they are targets and not investment restrictions. UBP may amend them at any time and in any manner which it believes is consistent with its overall investment objective in response to market conditions or other factors without notice to investors.

Asset allocation is our key added value in generating outperformance

1. 6- to 9-month macroeconomic scenario

- Proprietary macroeconomic leading indicators (with track record of almost 20 years)
- 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 regulation (such as Basel III)

3. Top-down allocation view

- High-yield exposure (from 80% to 120%)
- Interest rate exposure (from 0 to 6 years)
- Regional and rating diversification

SRRI



The SRRI (Synthetic Risk and Reward Indicator) relates to the IC USD share class LU1509912421 as of 24.06.2022 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.

ISIN	AC USD: LU1509910219 IC USD: LU1509912421 UC USD: LU1509914807
Bloomberg ticker	AC USD: USHYAUC LX IC USD: USHYIUC LX
Investment manager	Union Bancaire Privée, UBP SA
Depository bank	BNP Paribas SA, 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.

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