



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

# UBAM - CORPORATE EURO BOND

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

UBAM - Corporate Euro Bond provides investors with access to the euro 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*
- ◆ *Sector-based approach to bottom-up research*
- ◆ *Risk management at all steps of the investment process: real-time monitoring of the portfolio's P&L*

## Investment case

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

As well as providing attractive returns – a historical annualised gross return of 4.7% – the asset class has also demonstrated contained volatility of 3.2% annualised.

Euro investment-grade credit offers an appealing and diversified income exposure.

Sources: UBP, Bloomberg, ICE BofAML indices since 31.12.1996, as at 31.03.2019

## Fund concept

UBAM - Corporate Euro Bond is a euro investment-grade credit fund with a moderate average maturity.

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

## Euro investment-grade credit: a diversifier in times of stress

	EUR investment grade market	European equities
2008 – Global financial crisis	-3.3%	-44.4%
2011 – Euro sovereign crisis	+2.0%	-17.1%

Sources: UBP, Bloomberg L. P., ICE BofAML Euro Corporate Index and Eurostoxx 50 as at 31.03.2019  
Past performance is not indicative of future results



## 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 Euro Corporate Large Cap 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 18.2 billion worth of fixed-income assets as at 31 December 2018
- ◆ Co-managers Christel Rendu de Lint and Philippe Gräub have successfully co-managed similar strategies for fifteen years

## General information

Fund name	UBAM
Sub-fund name	UBAM - Corporate Euro Bond
Legal form of the fund	Luxembourg-incorporated umbrella SICAV, UCITS
Launch date	10 March 1999
Bid/offer price	NAV
Currency	EUR (USD/CHF/GBP/SEK)
Subscription/redemption	Daily
Management fee	A: 0.50%; I: 0.35%
Management company	UBP Asset Management (Europe) S.A.

## 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

## Main risks

With lower risk,		With higher risk,				
potentially lower rewards		potentially higher rewards				
1	2	3	4	5	6	7

SRRI relates to the IC EUR share class LU0132673327 as at 31.01.2019. This indicator represents the annual historical volatility of the fund.

Risk category reflects level of risk and 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 synthetic indicator cannot be considered as 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.

Investment manager	Union Bancaire Privée, UBP SA, Geneva
Administrator	CACEIS Bank Luxembourg S.A.
Registrar/transfer agent	CACEIS Bank Luxembourg S.A.
Custodian	BNP Paribas Securities Services Luxembourg
Auditor	Deloitte Audit S.à.r.l., Luxembourg
Country where distribution is authorised	AT, BE, CH, DE, ES, FI, FR, IT, LU, NL, NO, PT, SE, SG, UK
ISIN	AC EUR: LU0095453105; IC EUR: LU0132673327

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