



THE DRIVE YOU DEMAND

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

# UBAM - EM SUSTAINABLE HIGH GRADE CORPORATE BOND

Access the enhanced return potential of sustainable emerging-market corporate bonds offering attractive yields and diversification with low credit risk

UBAM - EM Sustainable High Grade Corporate Bond provides investors with access to sustainable emerging-market (EM) bonds denominated in hard currencies and issued by highly-rated corporates, which offer attractive yields and sustainable return potential.

### Key points

- ◆ Sustainable exposure to emerging markets
- ◆ Focus on EM corporate issuers with superior ESG credentials than their peers
- ◆ Investment-grade issuers only
- ◆ Investment process combining thorough credit analysis and positive ESG selection
- ◆ Emphasis on diversification, risk-management and portfolio liquidity

### Investment case

The number of EM corporate issuers with responsible and sustainable business practices has been growing in recent years. As a result, the sustainable emerging-market (EM) corporate bond market is today a sizeable, growing and well-diversified asset class, which gives investors access to private-sector issuers with strong Environmental, Social and Governance (ESG) credentials, located in the fastest growing regions of the world.

The strategy aims to offer high risk-adjusted return potential by selecting best-in-class issuers in terms of ESG, while avoiding or limiting exposure to companies in predefined controversial business areas.

This is combined with the advantages of a portfolio showing high credit quality, low default risks and attractive yield levels. The portfolio has limited correlation with other asset classes and is a good way of diversifying a bond portfolio.

### Fund concept

UBAM - EM Sustainable High Grade Corporate Bond invests exclusively in sustainable corporate and quasi-sovereign investment-grade bonds issued by companies with strong links to emerging markets. The investable ESG universe is selected by a rigorous process combining positive ESG selection with thorough credit analysis. It includes companies with strong ESG credentials, and avoids or limits exposure to those in breach of international norms like the UN Global Compact, or involved in controversial weapons, tobacco or thermal coal. All bonds are denominated in hard currencies such as the US dollar and the euro. It is an actively managed fund that aims to outperform the JPMorgan CEMBI Diversified High Grade Index over an investment cycle, and aims to achieve a higher ESG score than its index. Subscription and redemption of fund units take place daily.



\*Revenue thresholds may apply

## Investment process

- ◆ The fund's investment process combines the UBP EM Corporate Bond Management process with ESG selection.
- ◆ The EM Corporate, Quasi-Sovereign and Green Bonds universe is reduced to an ESG investable universe by selecting the issuers that have the best ESG practices, that are not involved in any major controversies with respect to global norms, or that contribute to any pre-defined controversial activities.
- ◆ UBP's traditional EM corporate bond management process, combining top-down and bottom-up approaches, is then applied to the investable universe.
- ◆ In particular, thorough credit reviews, including quantitative and qualitative analysis, are conducted on all issuers. This is combined with additional ESG analysis aiming at factoring positive ESG considerations into the bond selection process.
- ◆ The fund uses risk management to maintain a high level of diversification and liquidity in the portfolio, in order to ensure high and consistent risk-adjusted returns over the investment cycle.
- ◆ Engagement with EM issuers is handled by the investment team and/or Sustainalytics, a third-party engagement manager.

## Investment guidelines

- ◆ Benchmark index: JPMorgan CEMBI Diversified High Grade
- ◆ Minimum rating: investment grade by at least one of three rating agencies (S&P, Moody's and Fitch) at issue or issuer level where an issue rating is not available
- ◆ No company under international sanctions, or in breach of UN Global Compact or other international standards
- ◆ No controversial weapons (cluster bombs, landmines, nuclear weapons); no tobacco (5% revenue threshold); no companies generating 10% or more of their revenue from thermal coal extraction; no utilities generating 20% or more of their revenues from coal-fired electricity
- ◆ Maximum allocation per investment-grade issuer: 5%
- ◆ Maximum total allocation to sovereign issuers: 20%

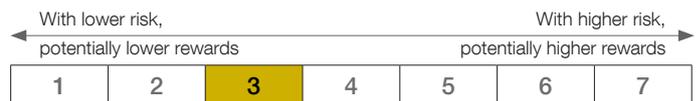
## Investment team

- ◆ Seasoned team of eight professionals entirely devoted to emerging fixed-income markets and comprising four portfolio managers, three credit analysts, and one macro & FX strategist
- ◆ Supported by UBP's global presence and research teams on the ground



Source: UBP

## Main risks



The Synthetic Risk and Reward Indicator (SRRI) relates to the IC USD share class LU1668159244 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 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.

## General information

Fund name	UBAM
Sub-fund name	UBAM - EM Sustainable High Grade Corporate Bond
Legal form of the fund	Luxembourg-incorporated umbrella SICAV, UCITS
Launch date	28 February 2018
Bid/offer price	NAV
Currency	USD (EUR/CHF/GBP/HKD/SGD/SEK)
Subscription/redemption	Daily
Management fee	A: 1.30%; I: 0.65%
Management company	UBP Asset Management (Europe) S.A.

Investment manager	Union Bancaire Privée, UBP SA
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
Countries where distribution is authorised	AT, BE, CH, DE, ES, FI, FR, IT, LU, NL, NO, SE, UK, SG
ISIN	AC USD: LU1668157388 IC USD: LU1668159244

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