



For Swiss qualified investors only

UBAM (CH) - HIGH GRADE CHF INCOME

Optimising income in CHF within the medium-dated investment-grade space

UBAM (CH) - High Grade CHF Income offers Swiss investors the benefit of an attractive income in Swiss francs while maintaining similar risk characteristics as the SBI AAA-BBB 1–10 year index.

Key points

- *Attractive income in CHF while maintaining similar risk characteristics as the Swiss bond market (SBI AAA-BBB 1–10-year index)*
- *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 Swiss bond and derivative markets*
- *No stamp duty for Swiss investors and dedicated share classes for pension funds*

Investment case

Swiss fixed income investors with the Swiss franc (CHF) as their base currency can either invest in CHF bonds issued by Swiss or foreign entities or in EUR and USD bonds with currency hedging to the CHF. This second solution could generate a yield pick-up with a similar economic risk.

With CHF bond yields at or below zero and the high cost of hedging to the CHF, UBAM (CH) - High Grade CHF Income allows Swiss investors to optimise expected returns in CHF by accessing further fixed income opportunities while maintaining a similar risk profile to that of a typical Swiss bond portfolio: investment-grade ratings and moderate interest rate risk.

Fund concept

UBAM (CH) - High Grade CHF Income offers Swiss investors the benefit of an attractive income in CHF while maintaining similar risk characteristics as the Swiss investment-grade fixed income market, with moderate interest rate risk, as expressed by the SBI AAA-BBB 1–10-year index.

The fund only invests in investment-grade securities with a typical average maturity of 5 years and selects the most attractive segment among:

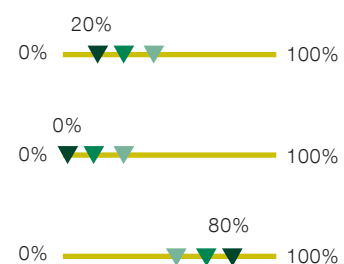
1. CHF-denominated bonds
2. EUR- or USD-denominated bonds hedged to the CHF
3. A CHF fixed income portfolio built with standardised and cleared interest rate and credit derivatives.

Asset allocation based on relative value opportunities across 3 segments

Fixed income segments

1. CHF-denominated bonds
2. EUR or USD hedged into CHF
3. Interest rate futures and CDS index

Asset allocation (Illustration)



Investment process

- Three dimensions: top-down relative value across segments, top-down and macro-driven investment views, and bottom-up selection (only when bonds' top-down relative value is appealing):
 - Top-down relative value across segments determines the fixed income allocation
 - Top-down macroeconomic views determine interest rate, credit and geographic exposure
 - Bottom-up credit research and relative value analysis applies when cash bond segments are offering the most attractive expected returns
- Risk-management is carried out throughout the investment process with real-time monitoring of positions

Investment guidelines

- Maximum total economic exposure: 100%
- Initial investment in investment-grade securities only
- Typical average maturity: 5 years
- Use of standardised and cleared derivatives for interest rates and credit

Investment team

- Fourteen investment professionals overseeing CHF 19.4 billion worth of fixed-income assets as of 31 December 2019
- Co-managers Christel Rendu de Lint and Philippe Gräub have successfully co-managed credit strategies for over fifteen years

General information

Name	UBAM (CH) - High Grade CHF Income
Legal form	Sub-Fund of UBAM (CH) Swiss Contractual Fund
Base currency	CHF
Currency-hedged share classes	-
Cut-off time	12:00 (CH time)
Inception date	30.06.2015
Minimum investment	None
Liquidity	Daily
Applicable management fee ¹	AD CHF: 0.40%; ID CHF: 0.25%; UD CHF: 0.25%
Registered countries ²	CH

1. Top-down relative value across segments

- Analysis of carry and roll-down
- Analysis of FX hedging costs
- Analysis of liquidity

2. Macroeconomic and top-down views to determine

- Interest rate exposure
- Credit exposure
- Geographic exposure

3. Bottom-up: only when bonds are more appealing in terms of top-down relative value

- Fundamental credit research
- Relative value at security level

SRRI



The SRRI (Synthetic Risk and Reward Indicator) relates to the ID CHF share class CH0271453422 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.

ISIN	AD CHF: CH0271453414; ID CHF: CH0271453422; UD CHF: CH036225252
Bloomberg ticker	AD CHF: UBHGCI SW; ID CHF: UBHGCI SW; UD CHF: UBHGCI SW
Investment manager	Union Bancaire Privée, UBP SA
Depositary bank	Banque Cantonale Vaudoise
Administrator	N/A

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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