

# UBAM

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R.C.S. Luxembourg N° B 35 412

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## INFORMATION AND NOTICE TO THE SHAREHOLDERS OF UBAM - EUROPE RESPONSIBLE SMALL CAP EQUITY UBAM - POSITIVE IMPACT EQUITY

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Luxembourg, 10 March 2023

Dear Shareholders,

The Board of Directors of UBAM informs you of the decision taken by circular resolution, i.e.:

The sub-fund UBAM - EUROPE RESPONSIBLE SMALL CAP EQUITY (the "Absorbed Sub-fund") will merge with the sub-fund UBAM - POSITIVE IMPACT EQUITY (the "Absorbing Sub-fund"), the latter absorbing the former, in accordance with the type of merger described in article 1 point 20 a) of the law of 17<sup>th</sup> December 2010.

This merger is motivated by the fact that the Absorbed Sub-Fund's assets are relatively low, and the Absorbed Sub-Fund and the Absorbing Sub-Fund share a similar investment approach, despite exhibiting different characteristics (detailed in the table below) such as the Absorbing Sub-Fund investing a more significant share of its net assets in mid and large cap with minimum market capitalisation of EUR 200 million, compared to the Absorbed Sub-Fund, which minimum market capitalisation is of EUR 100 million, and/or the Absorbing Sub-Fund promoting more sustainable investments as it is classified as Article 9 under the Sustainable Finance Disclosure Regulation ("SFDR").

The merger will become effective on 17 April 2023 (the "Effective Date").

The investment policies and objectives of the Absorbing and the Absorbed Sub-funds differ as follows.

UBAM - EUROPE RESPONSIBLE SMALL CAP EQUITY	UBAM - POSITIVE IMPACT EQUITY
<p>This Sub-Fund invests at least 75% of its net assets in equities issued by companies having their registered office in the European Union, in the United Kingdom and/or in the European Economic Area (excluding Liechtenstein) and, up to 25%, in warrants on transferable securities, convertible bonds or bonds with warrants on transferable securities, bonds and other debt securities and money market instruments.</p> <p>This Sub-Fund is primarily selecting stocks of companies which constitute the bottom third in terms of the market capitalisation of all publicly listed equity in the above-mentioned area. The minimum market capitalisation will be EUR 100'000'000.</p> <p>The Sub-Fund generally seeks to invest in sustainable quality growth business models: strongly financed, well managed, competitively advantaged companies with high or improving returns and exposure to growing end markets.</p>	<p>This Sub-Fund invests at least 70% of its net assets, in shares of companies having their registered office in the European Union, in the United Kingdom, in the European Economic Area and/or Switzerland and, on an ancillary basis, up to 20% of its net assets in warrants on transferable securities, convertible bonds or bonds with warrants on transferable securities, bonds and other debt securities and money market instruments.</p> <p>This Sub-Fund is permitted to invest up to 15% in emerging markets.</p> <p>This Sub-Fund addresses the UN's Sustainable Developments Goals through six themes, three environmental (healthy ecosystems, climate stability, sustainable communities) and three societal (basic needs, health &amp; wellbeing, inclusive &amp; fair economies). The primary sustainable objective is to invest in companies which have products, services and/or processes which contribute to the solution of environmental and/or social problems as defined by the</p>

UBAM - EUROPE RESPONSIBLE SMALL CAP EQUITY	UBAM - POSITIVE IMPACT EQUITY
<p>Within this remit, there is a focus on companies that are exposed to positive internal (corporate strategy, management initiatives etc) and external (end market exposure) dynamics and hence there is a preference for companies which are exposed to enduring secular growth trends which should be well placed to weather shorter term cyclical fluctuations resulting from the broader macroeconomic environment. The Investment Manager will generally seek to pursue and engage with companies that demonstrate a willingness to implement strong ESG standards and promote an ambitious sustainability strategy as the Investment Manager believes this will enable them to be in a better position to reduce their carbon intensity, to solidify their competitive positioning and to achieve profitable growth on a sustainable basis.</p> <p>In order to enhance the liquidity, the Sub-Fund will also invest on:</p> <ul style="list-style-type: none"> <li>- In medium and larger capitalised companies,</li> <li>- In liquid assets including cash, cash equivalents, bonds and other debt securities or money market instruments and short term bank deposits;</li> </ul> <p>The primary sustainable objective for which the Sub-Fund will be able to measure the positive impact is the lower carbon intensity versus its benchmark, the MSCI Europe Small Cap Index. This benchmark is a standard reference representing the Sub-Fund's universe but is not aligned with the environmental and/or social characteristics promoted by the Sub-Fund.</p> <p>The Sub-Fund promotes a lower carbon footprint paying attention to issuers' greenhouse gas (GHG) emissions and climate strategy in order to maintain the Sub-Fund's weighted average carbon intensity below that of its investment universe. The sustainability indicator used for carbon footprint measurement is the weighted average carbon intensity in tons of CO2 per million of USD revenues.</p> <p>Companies directly involved in the production of controversial and illegal weapons, unconventional oil &amp; gas extraction and tobacco production are excluded; as well as, with revenue thresholds applied, those directly involved in tobacco distribution, gambling and adult entertainment, thermal coal extraction, conventional oil and gas extraction, electricity utilities conventional and nuclear weapons. Furthermore, the Sub-Fund excludes all companies in breach of the UN Global Compact.</p> <p>ESG criteria are an integral and necessary part of the investment process. The Investment Manager</p>	<p>United Nations Sustainable Development Goals, including, but not limited to climate change mitigation, promotion of circular economy solutions, affordable healthcare and education, and the protection and restoration of biodiversity. Companies which are directly involved in the production of conventional, nuclear and controversial weapons are excluded, as well as companies which are directly involved in tobacco production, gambling, adult entertainment, thermal coal extraction and unconventional oil &amp; gas extraction. In addition, there are exclusions, with revenue thresholds applied, for those companies directly involved in Tobacco distribution, Conventional oil and gas extraction and Electricity utilities generating power from nuclear, oil and gas or coal. Furthermore, the Sub-Fund excludes all companies in breach of the UN Global compact.</p> <p>The investment strategy relies on external ESG scores, as well as internal analysis. At least 90% of this Sub-Fund's investments are ESG analysed. For investments without an external ESG analysis, an in-house equivalent assessment is conducted by the Investment Manager.</p> <p>The selection process systematically excludes at least 20% of the investment universe based on a combination of ESG scores and sector/behaviour exclusions. 100% of the investee companies are positive contributors to one or more environmental / social objectives.</p> <p>The construction of the universe is driven by positive inclusion, rather than exclusion. That is to say, through the 6 thematic lenses, the Investment Manager builds a universe through adherence to the IMAP system and positive ESG credentials. The universe is composed of the stocks in the MSCI Europe Equity Net Return Index (the "Benchmark") in addition to candidates selected outside this Benchmark due to their positive impact, ESG and financial criteria. The Benchmark is representative of the investment universe and of the risk profile of the Sub-Fund. The Investment Manager manage the Sub-Fund actively and has significant discretion to deviate from the Benchmark's constituents in respect to countries, sectors, issuers and instruments, especially in view of the fact that the benchmark is a standard reference used to frame the Sub-Fund's universe but is not aligned with the environmental and/or social characteristics promoted by the Sub-Fund.</p> <p>The Investment Manager performs a negative screening, based on the exclusion list and ESG profile to filter the investment universe. Impact and ESG credentials are fully integrated into decision making regarding the purchase, sale and position-sizing of underlying holdings. The 'IMAP' score in combination with ESG and financial analysis will determine the size of the positions in the portfolio.</p> <p>The intensity of impact (IMAP) is measured through the</p>

UBAM - EUROPE RESPONSIBLE SMALL CAP EQUITY	UBAM - POSITIVE IMPACT EQUITY
<p>performs a negative screening and a norms-based screening to filter the investment universe. ESG related information is entering the suitability screen of the stock selection process. The portfolio construction will consider ESG criteria as well as the contribution to risk that arises from ESG exposures. Company specific and portfolio factors including ESG developments are considered when constructing and monitoring the portfolio. Through direct engagement with companies, and proxy voting according to its Voting Rights Policy, the Investment Manager ensures obligations as responsible shareholders are fulfilled.</p> <p>The ESG analysis covers 100% of the portfolio. For companies not covered by external ESG research providers, the analysis is conducted by the Investment Manager.</p> <p>The Investment Manager recognises that sustainability risks as described in the "<a href="#">RISK FACTORS</a>" chapter may have an impact on the performance of the Sub-Fund. Assessment of sustainability risks is complex and requires subjective judgments, which may be based on ESG analysis which combines internal and external research conducted by a variety of ESG data providers including but not limited to, MSCI ESG Research, ISS or Sustainalytics. These data which could be difficult to obtain and/or incomplete, estimated, out of date or otherwise materially inaccurate can lead to no guarantee that the Investment Manager's assessment will correctly determine the impact of sustainability risks on the Sub-Fund's investments.</p> <p>The Investment Manager is committed to include, among others, investments in sustainable activities as defined by the Taxonomy Regulation. In particular, through its ESG analysis, based on company data, engagement and the use, if necessary, of external data providers, the Investment Manager will seek to select to a limited extend investments which significantly contribute to climate mitigation and/or climate adaptation, while complying with the EU's "Do No Significant Harm" principle. At the date of this prospectus, the information necessary to determine the exact proportion of investments complying with this Regulation remains very limited. Therefore, the minimum proportion of investments aligned to the Taxonomy Regulation is currently set at 0%. As soon as more data become available, the prospectus will be updated to reflect the applicable percentage.</p> <p>More information about the Investment Manager's Responsible Investment policy is available on <a href="https://www.ubp.com/en/investment-">https://www.ubp.com/en/investment-</a></p>	<p>Investment Manager's proprietary scoring system, with a minimum scoring requirement for inclusion in the Sub-Fund. This system has external oversight through the Impact Advisory Board.</p> <p>The Impact Advisory Board is composed of independent, external sustainability experts and attended by a representative of the Investment Manager. The Impact Advisory Board meets twice per year and its specific responsibilities are to provide a level of scrutiny for the IMAP scores of the Sub-Fund (the outcome of the IMAP process) and to provide strategic guidance on sustainability issues. As an Advisory Board, the Impact Advisory Board has no decision power of portfolio composition and the ultimate accountability regarding IMAP scoring and portfolio composition remains with the Investment Manager, although the Impact Advisory Board can recommend that Investment Manager alter IMAP scores and engage with companies on specific issues. Minutes of each Impact Advisory Board meeting are published on the UBP website.</p> <p>The principal adverse impacts on sustainability factors is considered through the exclusion list as mentioned above which comprises activity-based exclusions but also behaviour elements. When measuring impact intensity, the scoring of materiality (the share of a business represented by positive-impact business line) is a net score which also reflects any business lines with a neutral or even negative impact.</p> <p>The Governance element is monitored by the Investment Manager through its own research, its engagement with portfolio companies on ESG issues and the analysis of governance-related controversies or change in external ESG ratings.</p> <p>This Sub-Fund does not make use of derivatives, except for share class hedging. Share class derivatives have no material impact on the E and S characteristics.</p> <p>The investment process of this Sub-Fund draws from the collaboration of the Investment Manager (Union Bancaire Privée, UBP SA) with Cambridge Institute for Sustainability Leadership. Cambridge Institute for Sustainability Leadership is not involved in the stock selection of this Sub-Fund. UBP's Impact Investment Committee and the afore mentioned bi-annual independent Impact Advisory Board support the Investment Manager. The monthly Impact Investment Committee is an internal Investment Manager committee which conducts a monthly review of ESG status and issues</p> <p>This Sub-Fund has no reference benchmark designated for the purpose of attaining its sustainable objective.</p> <p>This Sub-Fund has no restriction on the percentage invested in Small and Mid-Capitalization. Nevertheless,</p>

UBAM - EUROPE RESPONSIBLE SMALL CAP EQUITY	UBAM - POSITIVE IMPACT EQUITY
<p><a href="#">expertise/responsible-investment</a> <sup>(1)</sup></p> <p>The Sub-Fund does not actively invest in derivatives, except for share class hedging. Derivatives used for share class hedging have no material impact on the E and S characteristics.</p> <p>More information about SFDR is available in the SFDR Schedule <sup>(1)</sup>.</p> <p>The net asset value is expressed in EUR.</p> <p>The Sub-Fund is actively managed and uses the index the MSCI Europe Small Cap Net Return Index ("the Benchmark") for performance objective. The Benchmark is representative of the investment universe and of the risk profile of the Sub-Fund. Although the Sub-Fund's securities will primarily correspond to those of the Benchmark, the Investment Manager has significant discretion to deviate from the Benchmark's constituents in respect to countries, sectors, issuers and instruments, in order to take advantage of specific investment opportunities.</p> <p><i>Standard investor profile: this Sub-Fund is suitable for investors willing to take higher risks linked to investments on stock markets in order to maximise their returns. In this way, investors should have experience in volatile products and should be able to accept significant losses. Investors should consider a long-term investment horizon of at least 5 years in order to overcome potentially unfavourable market trends.</i></p> <p>- Risk calculation: commitment approach</p>	<p>the minimum market capitalization will be EUR 200'000'000 or equivalent.</p> <p>This Sub-Fund will be relatively concentrated (typically containing 35-45 names) with low turn-over.</p> <p>The Investment Manager is committed to include, among others, investments in sustainable activities as defined by the Taxonomy Regulation. To this end, through the investment process described above, the Investment Manager will select, among others, investments that conform with one of its six investments themes, namely "Climate Stability", which relates to SDG 7 "Affordable and Clean Energy" and SDG 13 "Climate Action". Investments in the 2 other environmentally focussed investment themes are also relevant: Sustainable Communities (SDG 11 and 12) and Healthy Ecosystems (SDG 14 and 15). The contribution of these investments to climate mitigation and/or climate adaptation, and their adherence to the EU's "Do No Significant Harm" principle are identified through ESG profiling via internal assessment and 3rd party data providers, the UBP IMAP impact assessment and systematic bilateral engagement. At the date of this prospectus, the information necessary to determine the exact proportion of investments complying with this Regulation remains very limited. Therefore, the minimum proportion of investments aligned to the Taxonomy Regulation is currently set at 0%. As soon as more data become available, the prospectus will be updated to reflect the applicable percentage.</p> <p>More information about Responsible Investment policy is available on <a href="https://www.ubp.com/en/investment-expertise/responsible-investment">https://www.ubp.com/en/investment-expertise/responsible-investment</a> and more information about SFDR is available in the SFDR Schedule. <sup>(1)</sup></p> <p>The net asset value is expressed in EUR.</p> <p><i>Standard investor profile: this Sub-Fund is suitable for investors willing to take higher risks linked to investments on stock markets in order to maximise their returns. In this way, investors should have experience in volatile products and should be able to accept significant losses. Investors should consider a long-term investment horizon of at least 5 years in order to overcome potentially unfavourable market trends.</i></p> <p>- Risk calculation: commitment approach</p>

<sup>(1)</sup> Following the entry into force on 1<sup>st</sup> January 2023 of the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing the SFDR (hereafter "SFDR Level 2"), please note that, in addition to the information already available on SFDR for the Absorbed and Absorbing Sub-Funds, a SFDR Schedule for both of those Sub-Funds is available. Shareholders of the Absorbed Sub-Fund intending to be part of this Merger are therefore invited to refer to the SFDR Schedule of the Absorbing Sub-Fund in the latest version of the prospectus of UBAM's prospectus, available upon request free of charge at the registered office of UBAM, located at 287-289, route d'Arlon, L-1150 Luxembourg, Grand-Duchy of Luxembourg as well as on the website of the Management Company of UBAM ([www.ubp.com](http://www.ubp.com)).

**SFDR**

<b>UBAM - EUROPE RESPONSIBLE SMALL CAP EQUITY</b>	<b>UBAM - POSITIVE IMPACT EQUITY</b>
<b>Article 8</b>	<b>Article 9</b>

More information on SFDR is available in UBAM's prospectus on pages 21 and 22.

**The management fees and ongoing charges are mentioned in the below table.**

The shareholders of the Absorbed Sub-fund will receive shares of the Absorbing Sub-fund of the same Type and having the closest characteristics possible (currency, capitalisation, distribution) as the shares held in the Absorbed Sub-fund, as shown in the below table:

<b>Absorbed Sub-fund</b>				<b>Absorbing Sub-fund</b>			
<b>UBAM - EUROPE RESPONSIBLE SMALL CAP EQUITY</b>				<b>UBAM - POSITIVE IMPACT EQUITY</b>			
<b>ISIN</b>	<b>Class</b>	<b>Applicable Management fee</b>	<b>Ongoing charges</b>	<b>ISIN</b>	<b>Class</b>	<b>Applicable Management fee</b>	<b>Ongoing charges</b>
LU1509917735	AC EUR	1.50%	2.26%	LU1861460340	AC EUR	1.50%	2.23%
LU1509917818	AD EUR	1.50%	2.25%	LU1861460423	AD EUR	1.50%	2.23%
LU1509917909	AC CHF	1.50%	2.26%	LU1861460696	AC CHF	1.50%	2.23%
LU1509918386	AHC USD	1.50%	2.26%	LU1861460852	AC USD	1.50%	2.23%
LU1509919277	IC EUR	1.00%	1.52%	LU1861462635	IC EUR	1.00%	1.50%
LU1509919350	ID EUR	1.00%	1.53%	LU1861462718	ID EUR	1.00%	1.50%
LU1509919863	IHC USD	1.00%	1.51%	LU1861463013	IC USD	1.00%	1.50%
LU1509919947	IHD USD	1.00%	1.52%	LU1861463104	ID USD	1.00%	1.50%
LU1509920283	IC GBP	1.00%	1.53%	LU1861463443	IC GBP	1.00%	1.50%
LU1509920366	ID GBP	1.00%	1.52%	LU1861463526	ID GBP	1.00%	1.50% (a)
LU1509920440	UC EUR	1.00%	1.75%	LU1861464847	UC EUR	1.00%	1.74%
LU1509920523	UD EUR	1.00%	1.77%	LU1861464920	UD EUR	1.00%	1.71%
LU1509920796	UC GBP	1.00%	1.76%	LU1861465067	UC GBP	1.00%	1.73%
LU1509920952	RC EUR	2.00%	2.77%	LU1861466628	RC EUR	2.50%	3.24%
LU1611263655	YC EUR	0.50%	1.01%	LU1861467436	YC EUR	0.32%	0.62%

(a) *This share class being presently inactive, this number is an estimate*

The other fees charged to the Absorbing Sub-fund are identical to those applied to the Absorbed Sub-fund.

All the Absorbed Sub-Fund's assets will be sold by the Effective Date.

The contribution of the assets of the Absorbed Sub-fund being done in cash, the merger will have no negative impact on the performance and the composition of the Absorbing Sub-fund's portfolio. Also, no significant or material rebalancing of the Absorbing Sub-Fund's portfolio is expected before or after the Merger.

<b>Absorbed Sub-fund</b>	<b>Absorbing Sub-fund</b>
<b>UBAM - EUROPE RESPONSIBLE SMALL CAP EQUITY (All share classes)</b>	<b>UBAM - POSITIVE IMPACT EQUITY</b>
<b>SRI = 4 AC CHF: SRI = 5</b>	<b>SRI = 4</b>

The Absorbing Sub-fund has the same SRI (4) than the one of the Absorbed Sub-Fund (4).

The Absorbed Sub-Fund and the Absorbing Sub-Fund being 2 sub-funds of the same legal entity, their taxation is identical. The shareholders are however advised to seek information on the potential impact the planned merger may have on their personal taxation.

The cost of this merger will be borne by UBP Asset Management (Europe) S.A., Luxembourg.

As from the date of this notification and until the carrying out of the merger decision, (i) no shares of the Absorbed Sub-Fund will be issued but (ii) it shall continue to buy back its shares.

Shareholders of both the Absorbed Sub-fund and the Absorbing Sub-fund who do not agree with the merger can ask for the redemption of their shares free of charge until 1pm on 17 April 2023.

Shareholders of the Absorbed Sub-Fund who have not requested the redemption of their shares by 1pm on 17 April 2023 will be allocated corresponding shares of the Absorbing Sub-Fund according to the above table, and will be considered, starting from the same date, as shareholders of the Absorbing Sub-Fund, with the full rights associated with such status.

The calculation of the exchange ratio will be made on 18 April 2023 by dividing the net asset value (NAV) per share of the Absorbed Sub-fund dated 17 April 2023 by the NAV of the corresponding share class of the Absorbing Sub-fund dated 17 April 2023. The calculation of the exchange ratio will be checked by Deloitte Audit Sàrl, the auditors of UBAM.

The prospectus, the Key Information Documents Packaged Retail Investment and Insurance Products Key Investor Documents (PRIIPs KID) as well as the latest periodic reports of UBAM will be available free of charge for all investors upon request at the registered office of UBAM, 287-289, route d'Arlon, L-1150 Luxembourg, Grand-Duchy of Luxembourg as well as on the website of the Management Company of UBAM ([www.ubp.com](http://www.ubp.com)). A copy of the auditor's report on the merger as well as all additional information will be available at the registered office of UBAM.

The Board of Directors of UBAM

*Encl: Absorbing share classes PRIIPs KID*