



THE DRIVE YOU DEMAND

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

## UBAM - EM INVESTMENT GRADE CORPORATE BOND

Access the return potential of emerging market corporate bonds that offer attractive yields and diversification with low credit risk.

UBAM - EM Investment Grade Corporate Bond provides investors with access to bonds denominated in hard currencies, issued by highly-rated emerging market corporates, and offering attractive yields and return potential compared with their developed-market peers with similar credit ratings, as well as lower interest-rate risk.

### Key points

- ◆ *Investment-grade issuers only*
- ◆ *Diversification and high carry*
- ◆ *Emphasis on diversification, risk-management and portfolio liquidity*
- ◆ *Strong, risk-adjusted return potential with limited credit risk*

### Investment case

The emerging market (EM) corporate bond market is a sizeable and well-diversified asset class, which gives investors access to private issuers located in the fastest-growing regions around the world. EM corporate bonds in hard currencies tend to have higher credit quality, lower duration and lower volatility than EM sovereign bonds, so they offer better risk-adjusted return potential.

In addition, EM investment-grade corporate bonds offer the advantages of high credit quality and low default risk, combined with attractive return potential thanks to higher yields and lower interest-rate risk than similarly-rated, developed market corporate bonds.

They have a limited correlation to other asset classes and are a good way of diversifying a bond portfolio.

### Fund concept

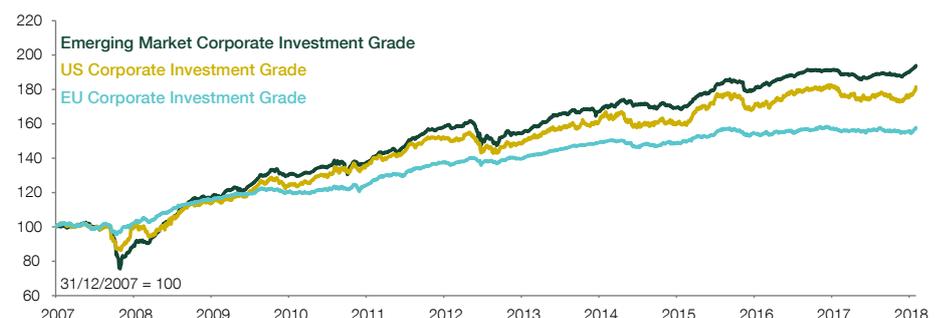
UBAM - EM Investment Grade Corporate Bond invests primarily in bonds issued by companies with strong links to emerging markets, rated investment-grade by at least one of the main rating agencies (Fitch, S&P or Moody's), and denominated in hard currencies (USD, EUR).

The fund does not invest in high-yield bonds. If a bond held in the portfolio is given a high-yield rating, it is sold as soon as market conditions allow in the interests of the fund's shareholders.

The fund aims to outperform the JPMorgan CEMBI Diversified Investment Grade over an investment cycle by maximising returns from capital appreciation and coupon income.

Subscription and redemption are daily.

### Investment-grade corporate bonds in emerging and developed markets – total return



Source: UBP as at 31 December 2018  
Past performance is not indicative of future results

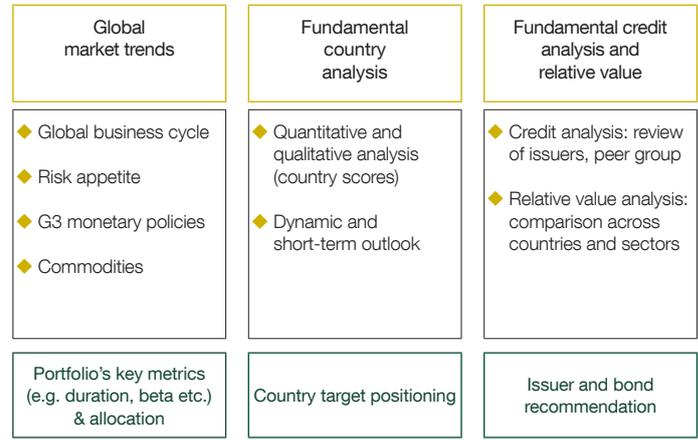


UNION BANCAIRE PRIVÉE

## Investment process

- ◆ Global market volatility and macro trends are analysed to help determine the portfolio's optimal duration, curve positioning and overall defensiveness/aggressiveness (e.g. beta).
- ◆ Top-down country allocation based on proprietary country scoring, which helps set maximum allocation divergence above and below the benchmark for each country.
- ◆ Bottom-up issuer and issue selection based on thorough in-house credit analysis, relative value assessment, and liquidity filtering.
- ◆ Risk-management aims to maintain a high level of diversification and liquidity in the portfolio to ensure high and consistent risk-adjusted returns over the investment cycle.

## Three key dimensions in building portfolios



## Portfolio construction & risk monitoring

### Investment guidelines

- ◆ Benchmark index: JP Morgan CEMBI Diversified Investment Grade
- ◆ Country allocation divergence against the benchmark: max. +5%; min. -5%
- ◆ Minimum rating: investment grade by at least one of three rating agencies (S&P, Moody's or Fitch) at issue or issuer level (when the issue rating is not available)
- ◆ Maximum allocation per investment-grade bond: 5%
- ◆ Maximum total allocation to sovereign issuers: 20%

### Main risks

With lower risk, ← potentially lower rewards → With higher risk, → potentially higher rewards

1	2	3	4	5	6	7
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The Synthetic Risk and Reward Indicator (SRRRI) relates to the IC USD share class LU0862303640 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 SRRRI 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.

### Investment team

- ◆ A seasoned team of eight professionals entirely devoted to emerging markets, including four portfolio managers, three credit analysts and one macro & FX strategist
- ◆ Supported by UBP's global presence and research teams

## General information

Fund name	UBAM
Sub-fund name	UBAM – EM Investment Grade Corporate Bond
Legal form of the fund	Luxembourg-incorporated umbrella SICAV, UCITS
Launch date	30 January 2013
Bid/offer price	NAV
Currency	USD (EUR/CHF/GBP/SEK)
Subscription/redemption	Daily
Management fee	A: 1.30%; I: 0.55%
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, PT, SE, SG, UK
ISIN	AC USD: LU0862302675 IC USD: LU0862303640

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### Union Bancaire Privée, UBP SA

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