



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

UBAM - SRI EUROPEAN CONVERTIBLE BOND

Drawing on the convex nature of convertible bonds within a responsible investment framework

In order to provide investors with the convexity potential of convertible bonds within a socially responsible investment framework, Union Bancaire Privée, UBP SA, a long-established actor in the convertible bond space, has joined forces with La Banque Postale Asset Management (“LBPAM”), an expert in responsible investing (RI).

Key points

- ◆ *The combination of two areas of expertise: convertible bond management & RI screening*
- ◆ *A best-in-class, socially responsible approach*
- ◆ *Dynamic exposure to equity markets through a 10% to 60% average equity sensitivity range*
- ◆ *A cautious approach to credit risk –our investment process begins and ends with credit considerations*
- ◆ *Lower interest rate sensitivity than straight bonds of identical duration*
- ◆ *Access to a rare asset: a long-term option feature on the issuing company’s stock*

Investment case

Convertible bonds have a long track record of delivering equity-like returns with much lower volatility and reduced drawdowns over the long term. This comes from their dual nature – a bond instrument with an embedded conversion option – which grants them an asymmetric risk–return profile relative to equities. The benefits of convexity make convertible bonds an “all-weather” asset class as regards portfolio construction. Besides, being partly exposed to equities, convertible bonds have lower sensitivity to interest rate moves than straight bonds of identical duration.

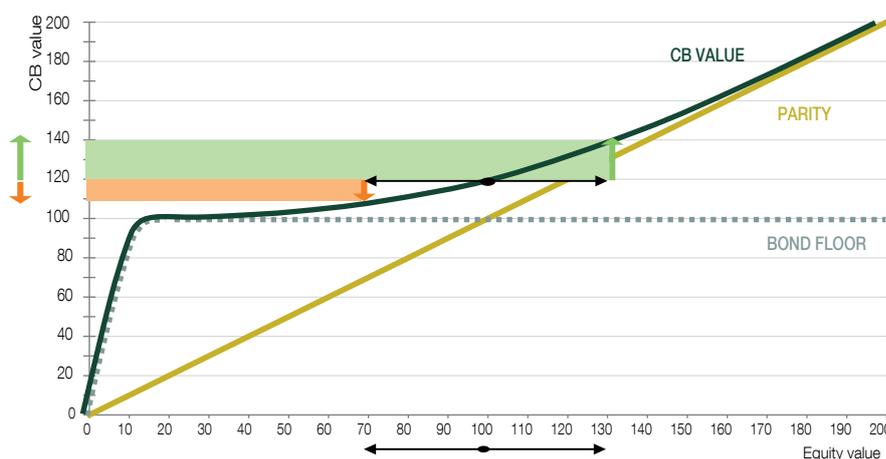
By collaborating with LBPAM, UBP offers access to convertible bonds’ intrinsic convexity for investors keen to expose some of their assets, through RI, to issuers that value fairness and sustainability in investment.

Fund concept

UBAM - SRI European Convertible Bond seeks to capitalise on the convex nature of convertible bonds through a core exposure to equity markets, ranging from 10% to 60%. This average exposure is actively managed in line with portfolio managers’ views, in order to generate equity-like returns in the long term whilst maintaining lower volatility than straight equities.

The portfolio also aims to maintain a higher average RI rating than its reference index, as measured by LBPAM. This is achieved through stringent environmental, social and governance (ESG) investment and exclusion criteria, which lead us to favour “best-in-class” issuers – companies that stand out for their commitment to sustainable development, in accordance with our four axes of analysis: economic & energy transition; territorial development; sustainable management of resources, and responsible governance.

Convertible bonds’ asymmetrical pay-off



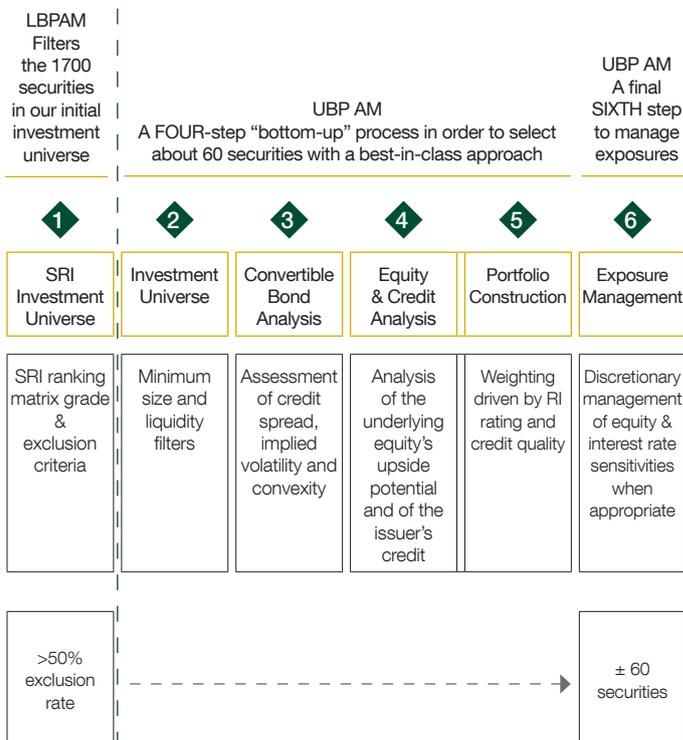
Sources: UBI

Past performance is not indicative of future results



Investment process

- ◆ Bottom-up stock-picking process focused on convexity.
- ◆ Initial ESG screening by LBPAM according to a best-in-class approach.
- ◆ Additional screening according to minimum size and liquidity criteria.
- ◆ Assessment of each convertible's technical features to price the straight bond and the embedded option.
- ◆ Identification of instruments whose underlying equity is a candidate for upward earnings revisions, and careful analysis of the issuers' credit quality.
- ◆ Weight allocation, based primarily on credit quality and RI rating.
- ◆ Active management of aggregate sensitivities, if necessary, in line with the managers' views and the risk profile of the strategy.



Investment guidelines

- ◆ Average equity sensitivity between 10% and 60%
- ◆ Around 60 convertible bond holdings
- ◆ Strict minimum ESG rating and exclusion criteria
- ◆ Investment-grade bias (incl. internal ratings)
- ◆ Index: Thomson Reuters Convertibles Europe Hedged (EUR) (for information only – the fund has no official benchmark)

Investment team

- ◆ UBAM - SRI European Convertible Bond is managed as a partnership between UBP and LBPAM.
- ◆ UBP has been active in the management of convertible bond strategies since 1999.
- ◆ UBP's Convertible Bond team is composed of 10 investment professionals, incl. 4 senior portfolio managers with regional specialisation, and a senior convertibles & credit adviser.
- ◆ The team can further rely on a senior quantitative analyst, a data manager, a trader-analyst and 2 investment specialists.

Main risks



SRRI relates to EUR share class. 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.

General information

| | |
|-------------------------|---|
| Fund name | UBAM |
| Sub-fund name | UBAM - SRI European Convertible Bond |
| Legal form of the fund | Luxembourg-incorporated umbrella SICAV, UCITS |
| Launch date | 7 August 2015 |
| Bid/offer price | NAV |
| Minimum investment | 1 share |
| Currency | EUR |
| Subscription/redemption | Daily |
| Management fee | A: 1.00%; I: 0.70% |

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| Investment manager | Union Bancaire Gestion Institutionnelle (France) SAS |
| Investment Advisor | La Banque Postale Asset Management |
| Registrar/transfer agent | CACEIS Bank Luxembourg S.A. |
| Custodian | BNP Paribas Securities Services Luxembourg |
| Administrative agent | Caceis Fund Administration |
| Countries where distribution is authorised | BE, CH, IT, LU, NL, SG |
| ISIN | AC EUR: LU1273963378, IC EUR: LU1273964343 |

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