



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

UBAM - GLOBAL CONVERTIBLE BOND

Drawing on the convex nature of convertible bonds at global level

The dual nature of convertible bonds – a bond instrument with an embedded conversion option – allows them to combine the defensive qualities of fixed income securities with the upside potential of equities. This attractive feature is at the root of the asset class’ intrinsic convexity. UBAM - Global Convertible Bond gives investors access to the convex potential of the asset class, with the benefits of global diversification.

Key points

- ◆ *Regional diversification across the main convertible bond markets (US, Europe, Asia incl. Japan)*
- ◆ *Dynamic exposure to global equity markets, through a 10% to 70% average equity sensitivity range*
- ◆ *Lower interest rate sensitivity than straight bonds of identical duration*
- ◆ *A cautious approach to credit risk –our investment process begins and ends with credit considerations*
- ◆ *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.

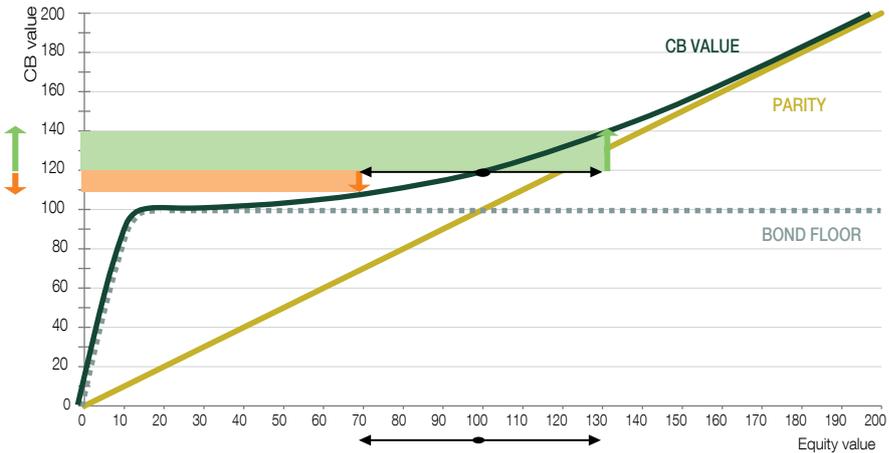
The outlook for the asset class is highly favourable as ever more companies are turning to convertibles for their financing needs and as investors are increasingly seeing them as a valid alternative to both equities and bonds.

Fund concept

UBAM - Global Convertible Bond is positioned as a core convertible bond strategy, with an average equity sensitivity ranging from 10% to 70%. It aims to provide investors with a solid alternative to investments in global equities by capitalising on the most attractive features of convertible bonds. To that end, the strategy is managed according to a bottom-up process centered on convexity and with a core focus on credit quality.

A global allocation enables investors to benefit from convexity opportunities across the whole convertible bond spectrum, as well as from a significantly deepened sector base.

Convertible bonds’ asymmetrical pay-off



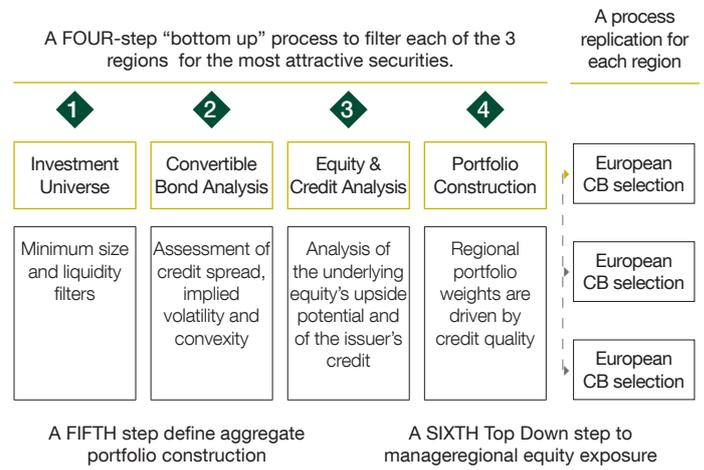
Sources: UBI

Past performance is not indicative of future results



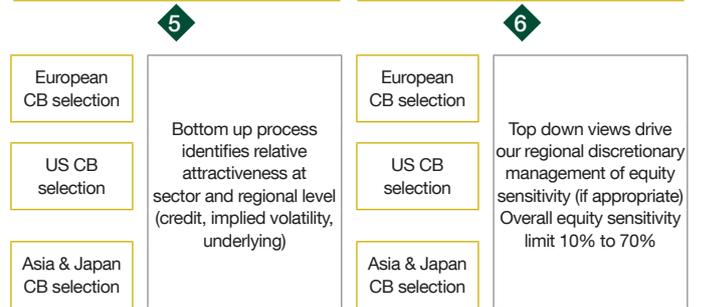
Investment process

- ◆ Bottom-up stock-picking process focused on convexity.
- ◆ Systematic 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.
- ◆ Regional portfolio weights, based primarily on credit quality.
- ◆ Assessment of sectors' and regions' relative attractiveness to define our aggregate portfolio construction.
- ◆ Active management of aggregate sensitivities (at region and portfolio levels), if necessary.



Investment guidelines

- ◆ Average equity sensitivity between 10% and 70%
- ◆ Around 130 convertible bond holdings
- ◆ Investment-grade bias (incl. internal ratings)
- ◆ Index: Thomson Reuters Convertibles Global Hedged EUR (for information only – the fund has no official benchmark)



Investment team

- ◆ 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 - Global Convertible Bond
Legal form of the fund	Luxembourg-incorporated umbrella SICAV, UCITS
Launch date	23 August 2013
Bid/offer price	NAV
Currency	EUR (CHF/USD/GBP)
Subscription/redemption	Daily
Management fee	A: 1.20% I: 0.90%
Management company	UBP Asset Management (Europe) S.A.

Investment manager	Union Bancaire Gestion Institutionnelle (France)
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
Country where distribution is authorised	AT, BE, CH, DE, ES, FI, FR, IT, LU, NL, PT, SE, SG, UK
ISIN	AC EUR: LU0940716078; IC EUR: LU0940717126

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