



THE DRIVE YOU DEMAND

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

UBAM - ABSOLUTE RETURN LOW VOL FIXED INCOME

A flexible global fixed income allocation for all market conditions with low volatility

UBAM - Absolute Return Low Vol Fixed Income offers a flexible and global fixed income strategy with low volatility (below 2%). It targets a return of cash +2%.

Key points

- ◆ Ample flexibility to be positioned on the most attractive sub-segments of global fixed income markets
- ◆ Proven ability to deliver stable, attractive excess returns over cash with ultra-low historical volatility
- ◆ Very appealing risk-reward profile
- ◆ Designed to benefit from a rising rate environment, with a modified duration varying from -2 to +6 years
- ◆ Core risk management approach through cross-checks between top-down risk budgeting and bottom-up risk monitoring
- ◆ No correlation to the major asset classes

Investment case

In a moderate-growth and low-rate scenario, traditional index-driven strategies would not meet investors' expectations in terms of returns.

Across market and macroeconomic cycles, global fixed income segments do not offer the same investment opportunities. A top-down macro-driven strategy offers a broader opportunity set for an unbenchmarked global fixed income portfolio.

Flexible allocation strategies across global fixed income markets add value in all economic and market conditions, by adding diversification while reducing volatility.

Absolute return global allocation strategies without a reference to a benchmark require disciplined risk monitoring and liquidity focus.

Fund concept

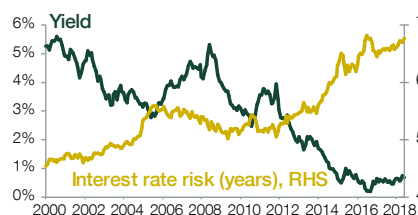
Using a top-down-driven allocation process across global credit and interest rate markets, UBAM - Absolute Return Low Vol Fixed Income seeks to provide a balanced risk/reward profile throughout macroeconomic and market cycles. The fund's agility in terms of fixed-income asset exposure, with no benchmark-related constraints and a liquidity bias, allows for a proactive allocation to the most attractive segments. The fund is designed to deliver excess return over cash in a zero or negative yield environment.

In this respect, the investment objective is to provide investors with fixed income-like returns even with rising interest rates. The fund's modified duration can vary from -2 to +6 years.

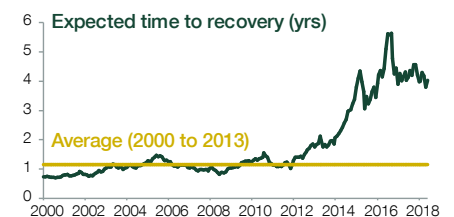
Asset allocation and portfolio construction are tightly risk-controlled to minimise drawdown and mitigate volatility. Risk management is at the core of the investment decision process through cross-checking between top-down risk-budgeting and bottom-up risk monitoring. In particular, the asset class' correlation dynamic in stressed scenarios is central to the risk budgeting. The investment team has a robust track record of risk-adjusted performance across macroeconomic cycles and financial market conditions.

With lower growth and interest rates, investors should consider global credit opportunities to reach 2% annualised returns

Lower yields but higher interest rate risk in euro aggregate



Expected time to recovery in years following a 100bp increase in yield of the euro aggregate



Sources: UBP, Bloomberg Finance L.P. as of 29.06.2018. Past performance is not a guide to current or future returns.



UNION BANCAIRE PRIVÉE

