



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

UBAM - GLOBAL 10-40 CONVERTIBLE BOND

Drawing on the convex nature of convertible bonds within a defensive framework

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. When the equity sensitivity is used moderately – as it is in UBAM - Global 10-40 Convertible Bond – convertible bonds become a solid alternative to corporate bonds.

Key points

- ◆ *Regional diversification across the main convertible bond markets (US, Europe, Asia incl. Japan)*
- ◆ *A solid alternative to global corporate bonds through a 10% to 40% 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.

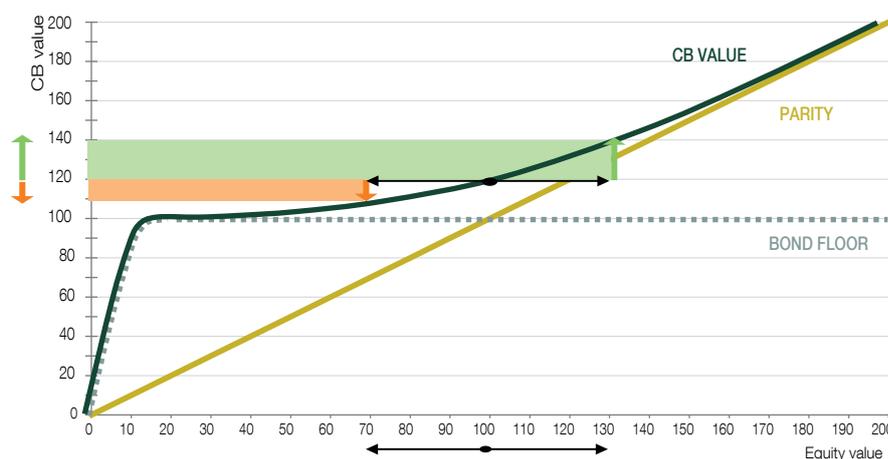
The outlook for the asset class is highly favourable as ever more companies are turning to convertibles for their financing needs and as investors are increasingly seeing them as a valid alternative to both equities and bonds.

Fund concept

UBAM - Global 10-40 Convertible Bond is positioned as a defensive convertible bond strategy, with an average equity sensitivity ranging between 10% and 40%. It aims to provide investors with a solid alternative to investments in global corporate bonds 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.

When filters are applied, the investable universe naturally shrinks. A global allocation gives investors broader access to the defensive segment of the convertible bond universe, as well as to opportunities outside Europe, including the US and the booming Asian market.

Convertible bonds' asymmetrical pay-off



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 40%
- ◆ Around 120 convertible bond holdings
- ◆ Investment-grade bias (incl. internal ratings)
- ◆ Index: Thomson Reuters Convertibles Global Focus 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.

General information

Fund name	UBAM
Sub-fund name	UBAM - Global 10-40 Convertible Bond
Legal form of the fund	Luxembourg-incorporated umbrella SICAV, UCITS
Launch date	9 October 2014
Bid/offer price	NAV
Currency	EUR (USD/CHF/GBP/SEK)
Subscription/redemption	Daily
Management fee	I: 0.70%, A: 1.00%
Management company	UBP Asset Management (Europe) S.A.

Disclaimer

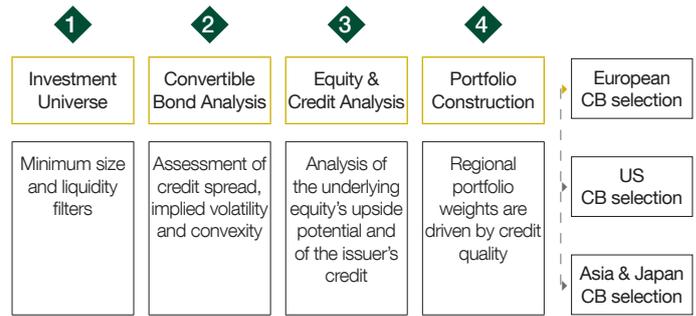
This is a marketing document and is intended for informational and/or marketing purposes only. This document is confidential and intended only for the use of the person(s) to whom it was delivered. This document may not be reproduced (in whole or in part) or delivered, given, sent or in any other way made accessible to any other person without the prior written approval of Union Bancaire Privée, UBP SA or any entity of the UBP Group ("UBP"). This document reflects the opinion of UBP as of the date of issue. This document is for distribution only to persons who are Qualified Investors in Switzerland or Professional Clients, Eligible Counterparties or an equivalent category of investors as defined by the relevant laws (all such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. It is not intended for distribution, publication, or use, in whole or in part, in any jurisdiction where such distribution, publication, or use would be unlawful, nor is it directed at any person or entity at which it would be unlawful to direct such a document. In particular, this document may not be distributed in the United States of America and/or to US Persons (including US citizens residing outside the United States of America). This document has not been produced by UBP's financial analysts and is not to be considered financial research. It is not subject to any guidelines on financial research and independence of financial analysis. Reasonable efforts have been made to ensure that the content of this document is based on information and data obtained from reliable sources. However, UBP has not verified the information from third sources in this document and does not guarantee its accuracy or completeness. UBP accepts no liability whatsoever and makes no representation, warranty or undertaking, express or implied, for any of the information, projections or opinions contained herein, nor for any errors, omissions or misstatements. The information contained herein is subject to change without prior notice. UBP gives no undertaking to update this document or to correct any inaccuracies in it which may become apparent. This document may refer to the past performance of investment interests. Past performance is not a guide to current or future results. The value of investment interests can fall as well as rise. Any capital invested may be at risk and you may not get back some or all of your original capital. In addition, any performance data included in this document does not take into account fees and expenses charged on issuance and redemption of securities or any taxes that may be levied. Changes in exchange rates may cause increases or decreases in your return. All statements other than statements of historical fact in this document are "forward-looking statements". Forward-looking statements are not guarantees of future performance. The financial projections included in this document do not represent forecasts or budgets, but are purely illustrative examples based on a series of current expectations and assumptions which may not eventuate. The actual performance, results, financial condition and prospects of an investment interest may differ materially from those expressed or implied by the forward-looking statements in this document as the projected or targeted returns are inherently subject to significant economic, market and other uncertainties that may adversely affect performance. UBP disclaims any obligation to update any forward-looking statement, as a result of new information, future events or otherwise. None of the contents of this document should be construed as advice or any form of recommendation to purchase or sell any security or funds. It does not replace a prospectus or any other legal documents that can be obtained free of charge from the registered office of a fund or from UBP. The opinions herein do not take into account individual investors' circumstances, objectives, or needs. Each investor must make his/her own independent decision regarding any securities or financial instruments mentioned herein and should independently determine the merits or suitability of any investment. In addition, the tax treatment of any investment in the fund(s) mentioned herein depends on each individual investor's circumstances and may be subject to change in the future. Investors are invited to carefully read the risk warnings and the regulations set out in the prospectus or other legal documents and to seek professional counsel from their financial, legal and tax advisors. The document constitutes neither an offer nor a solicitation to buy, subscribe for or sell any currency, fund, product or financial instrument, make any investment, or participate in any particular trading strategy in any jurisdiction where such an offer or solicitation would not be authorised, or to any person to whom it would be unlawful to make such an offer or solicitation. Telephone calls to the telephone number stated in this document may be recorded. UBP will assume that by calling this number you consent to this recording. UBP is authorised and regulated in Switzerland by the Swiss Financial Market Supervisory Authority and is authorised in the United Kingdom by the Prudential Regulation Authority. UBP is subject to regulation by the Financial Conduct Authority and regulated by the Prudential Regulation Authority. Any subscriptions not based on the funds' latest prospectuses, KIID, annual or semi-annual reports or other relevant legal document shall not be acceptable. The latest prospectus, articles of association, KIID and annual and semi-annual reports of the funds presented herein (the "Funds' Legal Documents") may be obtained free of charge from Union Bancaire Privée, UBP SA, 96-98 rue du Rhône, P.O. Box 1320, 1211 Geneva 1 ("UBP"). The Funds' Legal Documents may also be obtained free of charge from UBP Asset Management (Europe) S.A., 287-289 route d'Arlon, 1150 Luxembourg, Grand Duché de Luxembourg, and from Union Bancaire Gestion Institutionnelle (France) SAS, 116 avenue des Champs-Élysées, 75008 Paris, France. The representative and paying agent of the foreign funds mentioned herein is UBP. The Funds' Legal Documents may be obtained free of charge from UBP, as indicated above.

Union Bancaire Privée, UBP SA

Rue du Rhône 96-98 | P.O. box 1320 | 1211 Geneva 1 | Switzerland | ubp@ubp.com | www.ubp.com

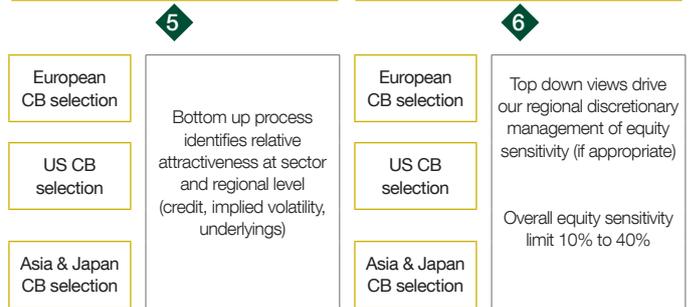
A FOUR-step "bottom up" process to filter each of the 3 regions for the most attractive securities.

A process replication for each region

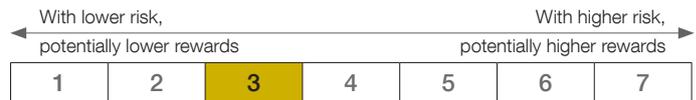


A FIFTH step define aggregate portfolio construction

A SIXTH Top Down step to manage regional equity exposure



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.