

For Professional Investors in Switzerland or Professional Investors as defined by the relevant laws

# UBAM - EMERGING MARKET CORPORATE BOND SHORT DURATION

Access the high-return potential of emerging market bonds with low exposure to global interest-rate risk

UBAM - Emerging Market Corporate Bond Short Duration provides investors with access to the attractive yields offered by bonds issued by emerging market corporate issuers, with limited interest-rate risk and the comfort of a built-in liquidity buffer.

## Key points

- *Exposure to the emerging corporate bond market to benefit from higher yields than comparable debt instruments issued by developed market corporates*
- *Investment in short-term bonds to reduce interest-rate sensitivity*
- *Active and rigorous credit risk management*
- *Built-in liquidity buffer ensuring daily subscriptions and redemptions*

## Investment case

Emerging market (EM) issuers should benefit from the higher growth prospects of emerging economies, as well as from their lower leverage compared with developed markets' high-yield corporate issuers.

EM corporate bonds denominated in hard currencies offer higher yields than their developed market (DM) peers. The average portfolio duration of around 2 limits exposure to government interest rates. The fund thus offers attractive carry, with limited volatility.

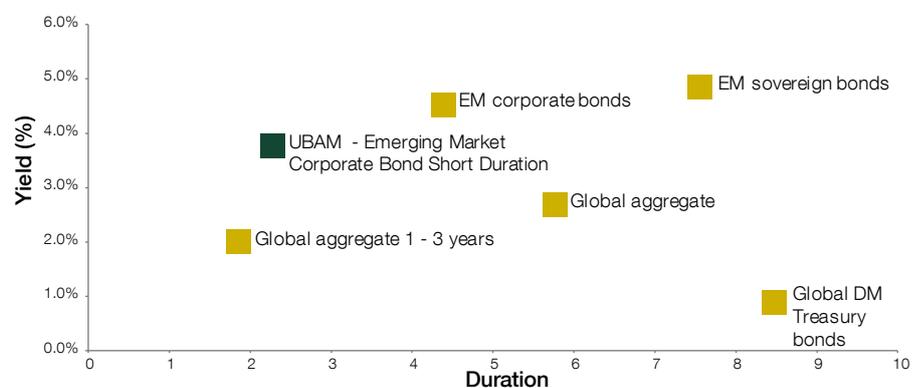
## Fund concept

UBAM - Emerging Market Corporate Bond Short Duration invests mainly in short-duration bonds denominated in hard currencies that are issued by EM corporates. It actively manages risk through diversification and the close monitoring of credit fundamentals to avoid defaults.

To ensure sufficient liquidity, the fund also invests around 20% of its assets in highly-rated DM securities, with an overlay in high-yield or EM CDX, which replicates a long position in credit markets and can be reduced in periods of elevated market volatility.

The average portfolio duration is kept around 2, limiting interest rate risk.

## Corporate bonds in emerging and developed markets – total return



Sources: UBP, Bloomberg Finance L.P. as at 31 December 2019  
The Fund is not managed in reference to a benchmark  
Past performance is not indicative of future results

## Investment process

- Bottom-up selection of short-duration bonds issued by EM corporate issuers, based on thorough in-house credit analysis
- Focus on diversification
- Strict risk management and sales discipline
- Appropriate liquidity maintained at all times through investment in AAA-AA developed-market
- Active management of CDX overlay to limit credit exposure in times of market stress

## Investment guidelines

- Investment in bonds with 1–4 year duration
- Max. bonds with 5–7-year duration: 15%
- Max. sovereign bonds: 20%
- Max. single IG issuer: 5%
- Max. single HY issuer: 3%

## Investment team

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

## General information

Name	UBAM - Emerging Market Corporate Bond Short Duration
Legal form	Sub-fund of UBAM, Luxembourg-domiciled SICAV, UCITS
Base currency	USD
Currency-hedged share classes	CHF, EUR, GBP, SEK, SGD
Cut-off time	13:00 (LU time)
Inception date <sup>1</sup>	19.08.2013
Minimum investment	None
Liquidity	Daily
Applicable management fee <sup>2</sup>	AC USD: 1.50% IC USD: 0.75% UC USD: 0.50%

↓	<b>MACRO VIEWS &amp; COUNTRY ANALYSIS</b>	Goal Define investment framework
↻	<b>MARKET FILTER</b>	Goal Identify investable EM universe HY issuers with short duration
↻	<b>PORTFOLIO CONSTRUCTION &amp; MANAGEMENT</b>	Goal Build an attractive portfolio according to investment goals
↻	<b>MARKET TRENDS</b>	Goal Take into account market trends to optimise portfolio performance

## SRRI



The SRRI (Synthetic Risk and Reward Indicator) relates to the IC USD share class LU0943509728 as of 04.09.2020 and may differ for other share classes of the same fund.

This indicator represents the fund's annual historical volatility. The level assigned reflects the risk/return profile: 1: lowest; 2: low; 3: limited; 4: average/moderate; 5: high; 6: very high; 7: highest.

Historical data such as that used to calculate the SRRI 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.

Registered countries <sup>3</sup>	AT, CH, DE, DK, ES, FI, FR, IT, LU, NL, SE, SG, UK
ISIN	AC USD: LU0943508167 IC USD: LU0943509728 UC USD: LU0943511625
Bloomberg ticker	AC USD: UBESDAA LX IC USD: UEHSICU LX
Investment manager	Union Bancaire Privée, UBP SA
Depository bank	BNP Paribas Securities Services, Luxembourg Branch
Administrator	CACEIS Bank, Luxembourg Branch

<sup>1</sup>The inception date is the date on which UBAM - Emerging Market Corporate Bond Short Duration was launched.

<sup>2</sup>Only the main share classes are mentioned. Available share classes include A: Standard; I: Institutional; U: No entitlement to retrocessions / RDR-compliant; C: Capitalisation; P: Performance-fee. Others are available.

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