



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

UBAM - EMERGING MARKET CORPORATE BOND

Access the return potential of emerging market corporate bonds that offer attractive yields and diversification

UBAM - Emerging Market Corporate Bond provides investors with access to bonds denominated in hard currencies, issued by emerging market corporates, and offering attractive yields and return potential compared with their developed market (DM) peers with similar credit ratings, as well as lower interest-rate risk.

Key points

- *Bond-selection based on an in-depth bottom-up approach to maximise returns from capital appreciation and coupon income*
- *Active, alpha-driven management style with a clear objective to outperform the benchmark*
- *Experienced team which has successfully managed EM corporate bond portfolios across different economic cycles*
- *Emphasis on credit research, diversification and portfolio liquidity*

Investment case

The emerging market (EM) corporate bond market is a sizeable and well-diversified asset class, which gives investors access to private issuers located in the fastest-growing regions around the world. EM corporate bonds in hard currencies tend to have higher credit quality, lower duration and lower volatility than EM sovereign bonds, so they offer greater risk-adjusted return potential.

The asset class is enjoying continued inflows, as investors are attracted by the higher yields offered by EM corporate bonds compared to their DM peers with similar credit quality, as well as by their lower interest-rate risk.

EM corporate bonds have limited correlation with other asset classes and therefore provide an efficient means of portfolio diversification.

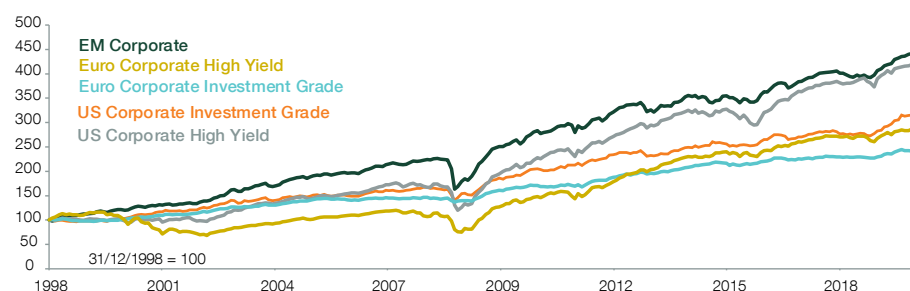
Fund concept

The fund invests mainly in hard-currency-denominated bonds issued by companies headquartered in emerging countries or whose activities are closely connected to those markets. It aims to outperform the JPMorgan CEMBI Diversified by maximising returns from capital appreciation and coupon income.

The active management style combines top-down allocation and bottom-up selection and aims to capture opportunities from across the entire EM corporate debt universe.

Subscriptions and redemptions are daily.

EM corporate bonds vs. other asset classes – total return



Source: UBP as at 31 december 2019

The Fund aims to outperform the JP Morgan Corporate Emerging Market Bond Diversified Index (the "Benchmark"). The Benchmark is representative of the Fund's investment universe and risk profile. Past performance is not indicative of future results

Investment process

- Global market volatility and macro trends are analysed to help determine the portfolio's optimal duration, curve positioning and overall defensiveness/aggressiveness (e.g. beta and credit allocation).
- Top-down country allocation based on proprietary country scoring, which helps set maximum allocation divergence above and below the benchmark for each country.
- Bottom-up issuer and issue selection based on thorough in-house credit analysis, relative value assessment, and liquidity filtering.
- Risk-management aims to maintain a high level of diversification and liquidity in the portfolio to ensure high and consistent risk-adjusted returns over the investment cycle.

Investment guidelines

- Benchmark index: JPMorgan CEMBI Diversified
- Country allocation divergence against the benchmark: max.: +5%; min.: -5%
- Maximum allocation per investment-grade bond: 5%
- Maximum allocation per high-yield bond: 3%
- Maximum total allocation to sovereign issuers: 20%

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
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 ¹	22.06.2010
Minimum investment	None
Liquidity	Daily
Applicable management fee ²	AC USD: 1.50% IC USD: 0.75% UC USD: 0.75%
Registered countries ³	AT, CH, CL, DE, DK, ES, FI, FR, IT, LU, NL, NO, SE, SG, UK

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Union Bancaire Privée, UBP SA

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Three key dimensions in building portfolios

Global market trends <ul style="list-style-type: none"> Global business cycle Risk appetite G3 monetary policies Commodities 	Fundamental country analysis <ul style="list-style-type: none"> Quantitative and qualitative analysis (country scores) Dynamic and short-term outlook 	Fundamental credit analysis and relative value <ul style="list-style-type: none"> Credit analysis: review of issuers, peer group Relative value analysis: comparison across countries and sectors
Portfolio's key metrics (e.g. duration, beta etc.) & allocation	Country target positioning	Issuer and bond recommendation

Portfolio construction & risk monitoring

SRRI

With lower risk,							With higher risk,	
potentially lower rewards							potentially higher rewards	
1	2	3	4	5	6	7		

The SRRI (Synthetic Risk and Reward Indicator) relates to the IC USD share class LU0520928846 as of 19.02.2020 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.

ISIN	AC USD LU0520928416 IC USD: LU0520928846 UC USD: LU0862301271
Bloomberg ticker	AC USD UBEMCAC LX IC USD: UBEMCIC LX
Investment manager	Union Bancaire Privée, UBP SA
Depository bank	BNP Paribas Securities Services, Luxembourg Branch
Administrator	CACEIS Bank, Luxembourg Branch

¹The inception date is the date on which UBAM - Emerging Market Corporate Bond was launched.

²Only 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.

³Please check availability before subscribing as not all share classes are registered in all jurisdictions. Subscriptions can only be made on the basis of the Fund's current Key Investor Information Document (KIID), full prospectus, and latest available audited annual report – as well as the latest semi-annual report, if published subsequently. These documents can be obtained free of charge from the Fund's headquarters, general distributor (Union Bancaire Privée, UBP SA, Geneva), or local representative for the country concerned.