



THE DRIVE YOU DEMAND

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

UBAM - US HIGH YIELD SOLUTION

Liquid exposure to the high-return potential of high-yield credit

UBAM - US High Yield Solution is an innovative fund that provides liquid exposure to the high-return potential of high-yield credit through a top-down investment process.

Key points

- ◆ *Outperformance of CDS strategies over cash bond strategies over the long term and during crises*
- ◆ *The fund offers exposure to high-yield investments with high liquidity, broad diversification and intermediate duration*
- ◆ *Macro-driven investment process that has proved effective in determining high-yield and interest exposure*
- ◆ *Experienced, fourteen-strong investment team with considerable expertise in credit and high-yield CDS indices*
- ◆ *Building on the track record of UBAM - Global High Yield Solution, an award-winning strategy recognised for its superior advantages*

Investment case

US high-yield bonds have proved to be an attractive alternative to equities by offering lower volatility and higher returns.

In addition to this, high-yield CDS strategies offer higher returns than high-yield cash bonds. From 31 December 2004 to 30 April 2018:

- ◆ US high yield CDS strategy: +9.0%
- ◆ US high yield cash bonds strategy: +7.1%

The environment remains positive for high yield, with default rates at low levels.

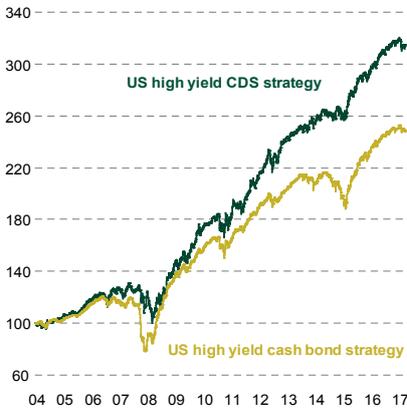
Fund concept

UBAM - US High Yield Solution is an innovative fund that offers liquid exposure to the high-return potential of high-yield credit through the exclusive use of high-yield CDS indices.

The high-yield CDS index market offers high liquidity in all market conditions, in particular compared with the regular high-yield bond market, with very tight and stable bid-offer spreads.

The fund enables investors to achieve full exposure to the high-yield universe by offering a diversified allocation to the most liquid non-investment-grade issuers in the US: 100 equally-weighted constituents of the US high-yield CDS index.

US high-yield CDS strategies vs. US high-yield cash bonds since 31 December 2004



	US high yield CDS strategy ¹	US high yield cash bond strategy ²
Annualised return	9.0%	7.1%
Maximum drawdown	-18.8%	-33.2%
Recovery	7 months	8 months



UNION BANCAIRE PRIVÉE

Sources: Bloomberg Finance L. P., Merrill Lynch, J.P. Morgan and UBP, as of 31.03.2018

¹Track record of simulated past performance gross of fees based on a representative benchmark composite: CDX US High Yield and BoFA ML 3-5 Year US Treasury index. ²ICE BofAML US High Yield index.

Simulated past performance: The performance information presented in the chart or tables represents backtested performance. Backtested performance is hypothetical (it does not reflect trading in actual accounts) and is provided for informational purposes only to indicate historical performance if the stock selection strategy was available over the relevant period. Simulated past performance is not a reliable indicator of future performance.

Investment process

The UBAM - US High Yield Solution's investment process is based on our Fixed Income team's proven macro-driven approach.

- ◆ We determine a 6–9-month macroeconomic scenario based on in-house economic indicators and the analysis of business cycles and monetary policies in the main geographical areas. Our in-house indicators have proven consistently effective over the past fifteen years.
- ◆ We identify the main market themes, such as monetary policies (LTRO, QE), the eurozone sovereign crisis, banking regulations and their consequences for the high-yield segment in terms of valuations and investor positioning.
- ◆ The resulting top-down allocation view determines our high-yield exposure, interest-rate sensitivity and geographical allocation.

Investment guidelines

- ◆ High-yield exposure from 80% to 120% using standardised, liquid and cleared CDS indices
- ◆ Interest rate target exposure: 0-6 years, primarily via US Treasuries; the strategy is also available in an interest-rate-hedged format
- ◆ Minimum of 80% in US high yield
- ◆ Diversification of up to 20% across:
 - ▶ Regions: European high yield and EM sovereign (EM: tactical and opportunistic)
 - ▶ Ratings: US investment grade
- ◆ No structured products

Investment team

- ◆ Fourteen-strong team overseeing CHF 17.5 billion worth of fixed-income assets as at 31 December 2017.
- ◆ Proven expertise in high-yield CDS index management
- ◆ Co-managers Christel Rendu de Lint and Philippe Gräub have successfully co-managed credit strategies for fifteen years

General information

Fund name	UBAM
Sub-fund name	UBAM - US High Yield Solution
Legal form of the fund	Luxembourg-incorporated umbrella SICAV, UCITS
Launch date	23 November 2016
Bid/offer price	NAV
Currency	USD (EUR/CHF/GBP/SEK/HKD)
Subscription/redemption	Daily
Management fee	A: 0.70%; I: 0.45%
Management company	UBP Asset Management (Europe) S.A.

Asset allocation is our key added value in generating outperformance

1. 6 to 9-month macroeconomic scenario

- ◆ Proprietary macroeconomic leading indicators (with track record of almost 20 years)
- ◆ Detailed analysis of relevant global business cycle data
- ◆ Detailed analysis of central bank policies and reaction functions

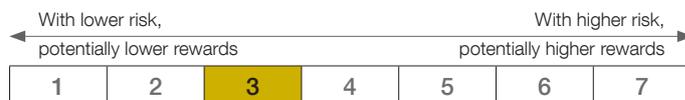
2. Identification of overarching market themes

- ◆ Monetary policies: LTRO, quantitative easing
- ◆ European sovereign crisis
- ◆ Banking regulation (such as Basel III)

3. Top-down allocation view

- ◆ High-yield exposure (from 80% to 120%)
- ◆ Interest rate exposure (from 0 to 6 years)
- ◆ Regional and rating diversification

Main risks



SRRI relates to USD 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.

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 limited regulation 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 Duchy of 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