
**NOTICE TO THE
SHAREHOLDERS OF
UBAM CONVERTIBLES EUROPE 10-40
SUB-FUND OF THE SICAV UBAM CONVERTIBLES**

AVERTISSEMENT

We would like to draw your attention to the fact that from 25 February 2020 any questions or disputes relating to the rights and obligations of the shareholders of the SICAV UBAM will be subject to the authority and jurisdiction of the Luxembourg courts.

The operation of the Luxembourg registries may among other things prevent you from exercising your rights as investors with the Luxembourg authorities and courts without the possibility of appeal or recourse. In fact an investor may not be able to exercise investor rights directly with an investment company or fund except where the investor themselves registers their names in the register of shareholders or bearers, implying a direct subscription in the SICAV without the involvement of an intermediary.

Paris, 10 January 2020

Dear Shareholders,

The Boards of Directors of the SICAV UBAM and the SICAV UBAM Convertibles wish to inform you of the following operation to be carried out on the UBAM Convertibles Europe 10-40 Sub-fund of the SICAV UBAM Convertibles:

1. The operation: Merger/Absorption

The UBAM Convertibles Europe 10-40 Sub-fund of the SICAV UBAM Convertibles (hereinafter the « Merging Sub-fund ») shall merge on **25 February 2020** with the UBAM - Europe 10-40 Convertible Bond Sub-fund of the SICAV UBAM (hereinafter the « Absorbing Sub-fund »), the second absorbing the first (hereinafter the « Merger »).

The Board of Directors of the Merging Sub-fund, in agreement with the Board of Directors of the Absorbing Sub-fund, wishes to carry out the Merger with a view to streamlining the range of UCITS funds managed by the UBP Group and in order to eliminate the structure master fund/feeder fund which will be replaced with a sub-fund of the SICAV UBAM investing directly. This enables unit holders to benefit from the advantages linked to this type of structure, such as facilitating the transfer from a sub-fund to another.

Please note that prior to the merger, the absorbing sub-fund will be converted from a feeder sub-fund of the French Sub-fund UBAM – Europe 10-40 Convertible Bond into a sub-fund investing directly according to a similar management policy to that of the Merging Sub-fund.

Holders of units in the Merging Sub-fund who have not requested the redemption of their units before the Merger, will be allocated shares of the Absorbing Sub-fund with the same characteristics (currency, accumulation/distribution) as the units held in the Merging Sub-fund as shown in the correspondence table provided in annex 2.

After the merger, unitholders of the Merging Sub-fund will become shareholders of the Absorbing Sub-fund, a Société d'Investissement à Capital Variable (SICAV) under Luxembourg law, domiciled in Luxembourg and invested directly from 11 February 2020.

The Merger will be effective on **25 February 2020**.

The Merger received the approval of the Autorité des Marchés Financiers on **13 December 2019**.

a) You are a shareholder of « A » units of the Merging Sub-fund:

Subject to compliance with the applicable eligibility criteria specified in the Articles of Association of the Sicav UBAM, shareholders of the « A » units of the Merging Sub-fund (« all subscribers » share class), may choose the corresponding unit class of the Absorbing Sub-fund which shall be attributed to them as a result of the Merger under the following conditions:

- **Merger towards an « A » unit class of the Absorbing Sub-fund**, for the unitholders not eligible for unit classes reserved to institutional investors*;
- **Merger towards an « I » unit class of the Absorbing Sub-fund**, for the unitholders eligible for unit classes reserved to institutional investors*;

** It should be noted that investors are considered to be institutional investors according to the following definitions:*

- *investors defined in Article 174 (2) of the 2010 Law;*
- *entities managing significant shareholdings or funds such as credit institutions, financial sector professionals, insurance and re-insurance companies, investment and pension funds, holding companies, subscribing on their own behalf and for their own account or for the account of their clients under discretionary management mandates;*
- *national, regional and local authorities;*
- *various sub-funds of the SICAV in accordance with Article 181(8) of the 2010 Law.*

Shareholders will receive shares from the share class of the Absorbing Sub-fund which have the same characteristics (currency, accumulation/distribution, etc) as the shares which they hold in the Merging Sub-fund.

Shareholders of « A » units of the Merging Sub-fund who meet the eligibility criteria for the « I » share class and who wish to obtain type I shares must request this from their custodian or account keeper in order for a written instruction to be sent to CACEIS Bank by **24 February 2020 at 18:00** at the latest (Please refer to annex 5).

In the absence of a request to their custodian or account keeper within the stated deadline, shareholders of the Merging Sub-fund holding « A » class shares will automatically receive corresponding « A » class shares of the Absorbing Sub-fund.

b) You are a shareholder of « U » units of the Merging Sub-fund:

Shareholders of « U » units of the Merging Sub-fund are not required to take any action and will receive shares of the « U » unit classes of the Absorbing Sub-fund with the same characteristics (currency, accumulation/distribution, etc) as the shares which they hold in the Merging Sub-fund.

Redemptions of shares of the Merging Sub-fund will operate without redemption fees up to **12:00 noon** (Paris time) on **20 February 2020**. From **20 February 2020 at 12:00 noon**, subscriptions and redemptions to and from the Merging Sub-fund shall be suspended. Redemptions of shares in the Merging Sub-fund will be processed again on the Absorbing Sub-fund after the Merger, that is on **28 February 2020** at the latest.

If you do not agree with the terms of the merger, you have the option to exit the fund without fees until **20 February 2020**.

2. Changes resulting from the operation

The main changes impacting on your investment are:

- The risk profile
 - Modification of the risk / return profile : YES
 - Increase in the risk / return profile : YES
- Increase in fees : YES

a/ Change of the risk profile

To carry out the merger, the assets of the Merging Sub-fund will be transferred to the Absorbing Sub-fund.

The investment strategy of the Absorbing Sub-fund will be drafted and presented differently from that of the current Merging Sub-fund because of different standards which apply to drafting prospectuses for French and Luxembourg funds. Certain limits of the Merging Sub-fund might therefore not be specified in the prospectus of the Absorbing Sub-fund.

However, the Absorbing Sub-fund will be managed by the same management team. The Asset Management Company wishes to maintain the same investment strategy although this is no longer a legal requirement (as it was the case when the Sub-fund was French) and may therefore make significant changes.

For an exact comparison between the two Sub-funds, please refer to the comparative table in annex 1.

Please find below the main characteristics of the Merging Sub-fund and the Absorbing Sub-fund as shown in the prospectus:

Characteristics	UBAM Convertibles Europe 10-40 (Merging Sub-fund)	UBAM – Europe 10-40 Convertible Bond (Absorbing Sub-fund)
Target exposure to equity markets	Between 0% and 50% of net assets with a target exposure of between 10% and 40% of net assets	The sub-fund may be exposed to equity markets up to 50% (through investments in convertible bonds) with an average exposure of between 10% and 40%.
Sensitivity range to interest rates	between 0 and 6	Not provided*
Level of exchange rate risk	maximum 10% of net assets	The sub-fund will hedge currencies not denominated in EUR and the net residual exposure to currencies other than the benchmark currency (EUR) will be maximum 10%.

*The strategies are currently similar

The calculation of the exchange ratio is provided in annex 3 to this letter (« Calculation method of the exchange ratio »).

The risk profile and the return profile of all share classes (Merging Sub-fund and Absorbing Sub-fund) is the same: a synthetic risk reward indicator of 3 on the scale of 1 to 7¹.

¹ The Synthetic Risk Reward Indicator (SRRI) is based on a calculation of the volatility. This ratio is a number between 1, for lower risk funds, and 7, for the most volatile.

Risk category 3 of the Sub-fund represents a moderate potential of return and/or loss of the value of the portfolio.

b/ Increase in fees

The maximum fees and commissions of the Merging Sub-fund and the Absorbing Sub-fund are as follows:

Fees paid by the investor, deducted from subscriptions and redemptions	UBAM Convertibles Europe 10-40 (Merging Sub-fund)	UBAM – Europe 10-40 Convertible Bond (Absorbing Sub-fund)
Subscription fee not retained by the sub-fund	maximum 5 % for registered shares, maximum 2% for all other shares, entirely retroceded to third parties	maximum 3%
Subscription fee retained by the sub-fund	None	None
Redemption fee not retained by the sub-fund	None	None
Redemption fee retained by the sub-fund	None	None
Financial management fees and external administrative fees	A shares: maximum 0.90 % tax incl. U shares: maximum 0.60 % tax incl.	-
Management fees	-	A shares: maximum 0.90 % tax incl. I shares: maximum 0.60 % tax incl. U shares: maximum 0.60 % tax incl.
Marketing fees	-	A shares: maximum 0.05% tax incl. I shares: None U shares: maximum 0.05 % tax incl.
General Distributor fees	-	A shares: maximum 0.10 % tax incl. I shares: None U shares: maximum 0.10 % tax incl.
Service charges (Administrative agent, registration and transfer, Custodian bank)	-	maximum 0.365% tax incl.
Transaction fees	From 0 to maximum €200 tax included per transaction (charged by the Custodian) From 0 to maximum 0.12 % tax incl. per transaction (charged by the Asset Management Co)	None
Performance fees	None	None

The absorbing sub-fund's fees may be higher given that the fees applicable to Funds under Luxembourg law vary from the fees for French Funds.

For more information relating to future fees for each class of units/shares of the Merging Sub-fund and the Absorbing Sub-fund, please refer to annex 2 of this letter.

All fees relating to the Merger shall be borne by the management companies, UBP Asset Management (France), Paris and UBP Asset Management (Europe) S.A., Luxembourg.

3. Important elements for the investor

We invite you to consult the Key Investor Information Document (KIID) of your Sub-fund, which aims to provide you with essential information necessary for your investment decisions. This is available on request from UBP AM France – 116 Avenue des Champs Elysées – 75008 Paris or by email: ubpamfrance@ubp.com or from its internet website: www.ubpamfrance.com.

You may also obtain the prospectus of the Absorbing Sub-fund as well as statutory reports either within eight working days on request from UBP Asset Management (Europe) S.A., 287-289 route d'Arlon, L-1150 Luxembourg, The Grand Duchy of Luxembourg or from its internet site: www.ubp.com which is available from the registered office of the asset management company UBP Asset Management (Europe) S.A.

Due to the merger, personal information and data of holders of shares of the Merging Sub-fund (particularly those entered in the records of CACEIS Bank Paris) may need to be disclosed to the CACEIS Bank branch in Luxembourg in its capacity as the transfer agent for the Absorbing Sub-fund.

As the Merging Sub-fund and the Absorbing Sub-fund are 2 separate legal entities in 2 different countries, the holders of units in the Merging Sub-fund are advised to consult their tax advisors on the possible impacts of this operation.

The following actions are proposed:

- If you agree with the operation, please refer to annex 5 of this letter and complete the form as required. By default, you will receive shares of the same class and characteristics in the Absorbing Sub-fund.
- If you do not agree with the operation then you may exit the fund without fees;
- If you have no opinion regarding the operation, you are invited to contact your adviser or distributor.

UBP Asset Management (France) is available for any clarification required.

4. Annexes and additional information

In order to help you consider the consequences of the merger of your current Sub-fund with the Absorbing Sub-fund, the following documents are provided in the annexes:

- **Annex 1:** Comparative table of the main characteristics of the Merging Sub-fund and the Absorbing Sub-fund,
- **Annex 2:** Comparative table of all fees,
- **Annex 3:**
 - Information relating to the calculation of the exchange ratio of the merger,
 - Information relating to the period in which shareholders may continue to subscribe to and request redemptions of shares in the merging sub-fund,
 - Information relating to the date when shareholders, who have not exercised their rights in accordance with Article 411-56 of the General Regulations of the AMF within the prescribed period, will be able to exercise their rights as shareholders in the Absorbing Sub-fund,
- **Annex 4:** Tax issues relating to the operation
- **Annex 5:** form concerning the optional securities operation

We would like to thank you in advance for your continued confidence and remain at your disposal should you require any further information.


Marc BASSELIER
Managing Director

ANNEXES

ANNEX 1

**COMPARATIVE TABLE OF THE CHARACTERISTICS OF THE MERGING SUB-FUND
AND THE ABSORBING SUB-FUND**

Characteristics	UBAM Convertibles Europe 10-40 (Merging Sub-fund)	UBAM – Europe 10-40 Convertible Bond (Absorbing Sub-fund)
Legal form	Sub-fund of an Open-ended Mutual Investment Fund - Société d'Investissement à Capital Variable (SICAV)	Sub-fund of an Open-ended Mutual Investment Fund - Société d'Investissement à Capital Variable (SICAV)
Registered office	FRANCE	LUXEMBOURG
Market Regulator	Autorité des Marchés Financiers (AMF)	Commission de Surveillance du Secteur Financier (CSSF)
Asset Management Company	UBP ASSET MANAGEMENT (FRANCE) UNION BANCAIRE GESTION INSTITUTIONNELLE (FRANCE) SAS	UBP ASSET MANAGEMENT (EUROPE) SA
Delegated financial manager	N/A	UBP ASSET MANAGEMENT (FRANCE) UNION BANCAIRE GESTION INSTITUTIONNELLE (FRANCE) SAS
Custodian	CACEIS BANK	BNP PARIBAS Securities Services - Luxembourg branch
Statutory auditor	ERNST & YOUNG AUDIT	DELOITTE AUDIT SARL
Delegated accountant	CACEIS FUND ADMINISTRATION	CACEIS Bank - Luxembourg branch
Delegated administrator	SOCIETE GENERALE	N/A
Subscription and redemption conditions	<p>Requests for subscription and redemption are processed each stock market working day* (D) in Paris up to 12 o'clock noon (Paris time) with the exception of French and US public holidays, and are executed on the basis of the Net Asset Value dated D, calculated and published on D+1 working days based on the stock market closing prices at D.</p> <p>Settlement of shares shall take place within three working days following day D.</p>	<p>Requests for subscription, conversion and redemption must be received before 13:00 pm (Luxembourg time), 2 full Luxembourg bank working days** before the valuation date.</p> <p>They will be processed based on the NAV of the Luxembourg bank working day which precedes the valuation day.</p> <p>Payments for subscriptions must be made in maximum 2 Luxembourg bank working days after the valuation date and payments for redemptions are made in maximum 3 Luxembourg bank working days after the valuation date.</p>
Accounting currency	EUR	EUR
Investment strategy	<p>UBAM Convertibles Europe 10-40 aims to enable the investor to benefit from the specific risk/return ratio of European convertible bonds. Convertible bonds have an asymmetric risk/return profile (all other things being equal, for a given variation in the underlying securities, upside participation is greater than downside participation). However, a convertible bond usually has a lower yield than a normal bond issued by the same issuer.</p> <p>For information purposes, the sub-fund's performance can be measured against the</p>	<p>Sub-fund denominated in EUR and which invests its net assets mainly in:</p> <ul style="list-style-type: none"> - convertible bonds; - bonds exchangeable into shares; - bonds redeemable in shares; - bonds with subscription warrants; - bonds indexed on shares; - any other types of securities such as securities which may be considered as shares under local law (for example:

Characteristics	UBAM Convertibles Europe 10-40 (Merging Sub-fund)	UBAM – Europe 10-40 Convertible Bond (Absorbing Sub-fund)
	<p>Thomson Reuters Convertibles Indices Europe Hedged (EUR) (Ticker UCBI20 Index), coupons and/or dividends reinvested. The sub-fund consists of an actively managed portfolio which is widely diversified and managed on a discretionary basis and includes mainly securities whose value is expressed in Euros. The value of the sub-fund is calculated and expressed in Euros.</p> <p>The exchange rate risk of the sub-fund's portfolio will be systematically hedged. This hedging may include indirect exchange risk (the case of a security denominated in a currency whose underlying risk is in another currency). The objective of the hedging is to have a direct exposure which is less than 10% of its net assets.</p> <p>For all classes of shares denominated in a currency other than the Euro, the exchange rate risks of the currency of the share compared to the benchmark of the sub-fund will be systematically hedged.</p> <p>In order to achieve its objectives, the sub-fund invests in rated or unrated assets, according to the manager's analyses, where the underlying security and/or the issuer is a company having its registered office in a member country of the OECD or listed on a European market, with a predominant weighting in European countries. Thus, the Fund may be exposed to "High Yield" securities. In addition and notwithstanding the above, the sub-fund may invest in all securities which are included in the benchmark index.</p> <p>The sub-fund invests at least two thirds of its net assets in convertible bonds and/or equivalent securities, of any rating or non-rated, according to the manager's analyses. The sub-fund may also be exposed to negotiable debt instruments, bonds, whatever their maturity or the issuer's rating (based on the manager's analyses), as a driver of performance as well as for cash management.</p> <p>Non-convertible bonds or similar (BMTN, EMTN, TCN) non-Investment Grade securities will represent not more than 20% of the sub-fund's net assets.</p> <p>The sub-fund may be exposed to equity markets up to 50% of its net assets with a target exposure of between 10% and 40% of the net assets.</p> <p>The general sensitivity range to interest rates of the sub-fund shall be between 0 and 6.</p>	<p>mandatory convertibles, preferred shares, mandatory convertibles preferred stocks, mandatory exchangeable bonds, convertible perpetual preferred stock, etc.)</p> <p>or similar securities rated at least B- (S&P or FITCH), B3 (Moody's) or an equivalent rating from another rating agency, or non-rated, whose underlying and/or issuer is a company with a registered office in a member country of the OECD or listed on a European market, with a minimum of two thirds of its net assets in companies which are domiciled in, or carry out a significant part of their economic activity in a European country.</p> <p>The sub-fund may use futures, swaps (including Credit Default Swaps (CDS)), options and foreign exchange forward contracts on regulated markets, organised or on an OTC market in order to hedge the portfolio's exposure to equities, interest rates, credit, exchange rates and against the volatility risk.</p> <p>The sub-fund may also be exposed to the following securities:</p> <ul style="list-style-type: none"> - equities up to a maximum of 10% (not including preferred shares) of its net assets. Equities held by the sub-fund will only be the result of bond conversions. These equities will be sold by the Manager within a period of maximum 6 months; - non-convertible bonds or equivalent whatever their maturity. Non-convertible high yield bonds or equivalent will be limited to 20% of the net assets. <p>The sub-fund may be exposed to equity markets up to 50% (through investments in convertible bonds) with an average exposure of between 10% and 40%.</p> <p>The sub-fund will hedge currencies not denominated in EUR and the net residual exposure to currencies other than the benchmark currency (EUR) will be maximum 10%. In addition, indirect exposures to currencies will be hedged as necessary at the Manager's discretion.</p> <p>The sub-fund may invest in bonds issued under any law, including securities issued under the regulations known as REG S or 144A, in respect of the investment strategy of the sub-fund.</p> <p>The sub-fund may invest up to 100% its net</p>

Characteristics	UBAM Convertibles Europe 10-40 (Merging Sub-fund)	UBAM – Europe 10-40 Convertible Bond (Absorbing Sub-fund)
		assets in high yield products and will not invest in contingent convertible bonds. The net asset value is expressed in EUR. - Risk calculation: absolute VaR method - Leverage calculation: total sum of notional amounts - Expected Leverage***: 250%. Leverage may be higher depending on market conditions.

* Working day in France: working days represent days when the company is open for business (generally from Monday to Friday).

** Full Luxembourg bank working day: full bank working days represent days when banks are open all day, generally from Monday to Friday except during legal public holidays.

*** Leverage: For the sub-funds whose global risk is calculated using the VaR method, the level of leverage is defined according to the ESMA directives and the CSSF 11/512 circular as the total sum of the notional values of the derivatives used by a sub-fund. According to these definitions, high leverage may be the result of investments in certain derivatives which may be used for hedging purposes (foreign exchange, sensitivity, etc) which are included in the calculation.

ANNEX 2

COMPARATIVE TABLES FOR ALL FEES

Operating fees:

Prior to the merger, the Absorbing Sub-fund will be converted into a sub-fund which invests directly.

In the table below, the management fees of the Absorbing Sub-fund correspond to the maximum fees which may be charged. The operating fees shown are an estimation of future fees of the Absorbing Sub-fund after its conversion.

Shareholders of the Merging Sub-fund will receive shares of the Absorbing Sub-fund, with the same characteristics (currency, accumulation, distribution, etc) as the shares held in the Merging Sub-fund.

To be noted:

- Holders of « A » shares in the Merging Sub-fund will receive « A » or « I » class shares in the Absorbing Sub-fund depending on their choice.
- Holders of « U » units in the Merging Sub-fund will receive « U » class shares in the Absorbing Sub-fund.

Merging Sub-fund UBAM Convertibles Europe 10-40					Absorbing Sub-fund UBAM – Europe 10-40 Convertible Bond					
ISIN	Class	Type of units	Management fees	Operating fees*	ISIN	Class	Type of units	Management fees	Operating fees**	
FR0010644674	AC EUR	All subscribers	0.90%	1.37%	LU0500231252	AC EUR	All subscribers	0.90%	1.42%	
					LU0500231500	IC EUR	Reserved to institutional investors	0.60%	0.93%	
FR0011408384	AD EUR		LU0500231336	AD EUR	All subscribers	0.90%	1.42%			
			LU0500231682	ID EUR	Reserved to institutional investors	0,60%	0.93%			
FR0010928705	AHC CHF		LU0500231922	AHC CHF	All subscribers	0,90%	1.42%			
			LU0500232144	IHC CHF	Reserved to institutional investors	0.60%	0.93%			
FR0011168715	AHC USD		LU0570469378	AHC USD	All subscribers	0.90%	1.42%			
			LU0570469881	IHC USD	Reserved to institutional investors	0.60%	0.93%			
FR0011168764	AHD USD		LU0570469535	AHD USD	All subscribers	0.90%	1.42%			
			LU0570470038	IHD USD	Reserved to institutional investors	0.60%	0.93%			
FR0010708735	AHD GBP		LU0782396112	AHD GBP	All subscribers	0.90%	1.42%			
			LU0500232573	IHD GBP	Reserved to institutional investors	0.60%	0.93%			
FR0011375112	UC EUR		Investors who indirectly purchase the shares through an agent or any other financial intermediary	0.60%	1,07%	LU0862306239	UC EUR	Investors who indirectly purchase the shares through an agent or any other financial intermediary	0.60%	1.02%
FR0011375120	UD EUR					LU0862306312	UD EUR			

*Operating fees as of 31/12/2018

**Estimated future operating fees

ANNEX 3

CALCULATION METHOD OF THE EXCHANGE RATIO

The calculation of the exchange ratio of the shares will be carried out on **26 February 2020** by dividing the net asset value (NAV) per share of the Merging Sub-fund on **25 February 2020**, by the NAV of the corresponding share in the Absorbing Sub-fund calculated on the basis of the closing price on the same date. Contributions in kind or in cash in the Absorbing Sub-fund and the calculations of the share exchange ratios will be audited by the auditor appointed by UBAM, in accordance with the provisions of Article 71 of the Law and Article 411-48 of the General Regulations of the Autorité des Marchés Financiers in France. The auditor accredited to carry out the above-mentioned controls is Deloitte Audit Sàrl, Luxembourg.

Therefore, the number of shares allocated in the Absorbing Sub-fund (and the relevant share class) will be established according to the following formula:

$$A = \frac{B \times C \times D}{E}$$

where:

- A: represents the number of shares to be allocated in the Absorbing Sub-fund and the relevant share class (shares in the reference currency of the sub-fund or shares in a different currency).
- B: represents the number of shares to be converted in their initial share class of the Merging Sub-fund.
- C: represents the net asset value as at the day of the exchange ratio calculation, of the shares to be converted in the initial share class of the Merging Sub-fund.
- D: represents the applicable price on the day of the operation between currencies of the two share classes of the Merging Sub-fund and the Absorbing Sub-fund. If the currency is the same, this number will be 1.
- E: represents the applicable net asset value as at the day of the exchange ratio calculation, of the shares to be allocated in the Absorbing Sub-fund (shares in the reference currency of the sub-fund or shares in a different currency).

Scenario:

For information purposes and guidance, at 09/10/2019, the net asset value of each fund was calculated respectively and thus for a unitholder with 10 units in the Merging Sub-fund:

	Merging sub-fund	Absorbing sub-fund
Net Asset Value*	€1 746.52 (C)	€118.42 (E)
Exchange rate (EUR/EUR) (D)	1	
Calculation (A)	$\frac{10 * €1 746.52 * 1}{€118.42} = 147.485$	

* based on the AC EUR unit

Thus an investor with 10 shares in the Merging Sub-fund would receive 147.485 shares in the Absorbing Sub-fund.

This is an example, the exchange ratio will only be known at the effective date of the merger, **26 February 2020**.

ADDITIONAL INFORMATION

Period in which shareholders will be able to subscribe and redeem shares in the Merging Sub-fund:

Until 20 February 2020 at 12:00 noon.

The date when shareholders who have not exercised their rights in accordance with Article 411-56 of the General Regulations of the AMF within the prescribed period, will be able to exercise their rights as shareholders in the Absorbing Sub-fund:

There will be no suspensions of subscriptions and redemptions of shares in the Absorbing Sub-fund during the Merger.

ANNEX 4

TAX ISSUES

The following tax information, which is provided for reference purposes, is non-exhaustive and may be modified. All unitholders are invited to consult their tax advisor in order to review their particular situation.

For unitholders of the Merging Sub-fund domiciled in France for tax purposes

As a result of the Merger each unitholder of the Merging Sub-fund shall receive shares of the corresponding share class of the Absorbing Sub-fund in exchange for the cancellation of their shares in the Merging Sub-fund.

Allocation of shares in the Absorbing Sub-fund should not be considered as a distribution of taxable investment revenues when the Merging Sub-fund transfers all its assets and liabilities, where applicable, at the time of its dissolution without liquidation, to the Absorbing Sub-fund, resulting in the allocation to shareholders of shares in the asset classes of the Absorbing Sub-fund.

For capital gains derived from the exchange of shares as a result of the Merger, the tax regime differs depending on the identity of the unitholder, as a natural or legal person.

Private persons who are unitholders of the Merging Sub-fund domiciled in France for tax purposes

Private persons domiciled in France for tax purposes shall be entitled to tax deferral on capital gains derived from the exchange of shares in the Merging Sub-fund for shares from the corresponding share class in the Absorbing Sub-fund. Capital gains from the exchange of shares in the Merging Sub-fund will not be liable for income tax in the year of the Merger (unless the shares received during the exchange are redeemed during the year of the Merger), but only for the year when the exchange shares in the Absorbing Sub-fund are sold or redeemed. Capital gains from the sale of the shares will be determined by the difference between the sale or redemption price of the shares in the Absorbing Sub-fund received at the exchange and the acquisition price of the shares in the Merging Sub-fund tendered in exchange.

Capital gains realised are subject to a progressive income tax scale after taking into account any reductions for a holding period counted from the date of acquisition or subscription of shares in the Merging Sub-fund which are exchanged.

Legal persons who are unitholders of the Merging Sub-fund domiciled in France for tax purposes

After the Merger is completed according to the regulations in force, companies domiciled in France for tax purposes and liable for corporation tax or income tax for industrial and commercial profits, or agricultural profits, and who are unitholders of the Merging Sub-fund, shall benefit from tax deferral for profit or loss incurred from the exchange of shares in the Merging Sub-fund for shares in the corresponding share class in the Absorbing Sub-fund (art. 38-5 bis of CGI - the General Tax Code). Any profit from the share exchange will be included in the taxable profits for the financial year of the sale of shares received in exchange, except if the sale of shares received in exchange benefits from a new tax deferral.

Companies entitled to tax deferral must submit declarations under Article 54 septies of the General Tax Code (relating to deferred capital gains). If shareholders are companies liable for corporation tax, the deferred profit has in most cases no practical relevance due to tax regulations relating to valuation adjustments for shares in UCITS. Thus, valuation adjustments for UCITS shares during the financial year of the exchange, are in principle included in the taxable profit of the company according to Article 209-0 A of the General Tax Code.

Non-profit organisations liable for corporate tax for specific investment revenues (Article 206-5 of the General Tax Code) are not taxed on capital gains derived from the sale of securities. The UCITS merger operation has therefore no impact on these organisations. In addition, these non-profit organisations are not liable for tax on valuation adjustments for UCITS shares.

For unitholders of the Merging Sub-fund not domiciled in France for tax purposes

Investors not domiciled in France are informed that their particular situation should be reviewed with their usual tax advisor.

ANNEX 5

SECURITIES OPERATION: MERGER / ABSORPTION UBAM CONVERTIBLES EUROPE 10-40 (SICAV UBAM CONVERTIBLES)

The operation

On **25 February 2020**, the UBAM Convertibles Europe 10-40 Sub-fund of the SICAV UBAM Convertibles (the « Merging Sub-fund ») will merge with and be absorbed by the UBAM - Europe 10-40 Convertible Bond Sub-fund of the SICAV UBAM (the « Absorbing Sub-fund »), (the « Merger »).

For Shareholders of « A » units in the UBAM Convertibles Europe 10-40 Sub-fund:

Subject to compliance with the applicable eligibility criteria specified in the Articles of Association of the Sicav UBAM, shareholders of the « A » units of the Merging Sub-fund (« all subscribers » share class), may choose the corresponding unit class of the Absorbing Sub-fund which shall be attributed to them as a result of the Merger:

Merging Sub-fund	Your choice for the Absorbing Sub-fund
<hr/> <hr/> <p>(Specify the ISIN code and the number of A units held)</p>	<input type="checkbox"/> <u>Merger towards an « I » unit class</u> for the unitholders eligible to unit classes reserved to institutional investors *
	<input type="checkbox"/> <u>Merger towards an « A » unit class</u> for the unitholders not eligible to unit classes reserved to institutional investors *

BY DEFAULT, HOLDERS OF A UNITS OF THE MERGING SUB-FUND WILL RECEIVE A UNITS OF THE ABSORBING SUB-FUND.

In addition, please note that shares of the Absorbing Sub-fund received during the Merger will keep the same characteristics (currency, accumulation/distribution) as the shares held in the Merging Sub-fund.

IMPORTANT: You must inform your custodian or account keeper of your choice by **24 February 2020 at 18:00** at the latest in order for them to contact the clearing department at CACEIS Bank.

For Shareholders of « U » units in the UBAM Convertibles Europe 10-40 Sub-fund:

Shareholders of « U » units of the Merging Sub-fund are not required to take any action and will receive shares of the « U » unit classes of the Absorbing Sub-fund with the same characteristics (currency, accumulation/distribution, etc) as the shares which they hold in the Merging Sub-fund.

** It is recalled that investors are considered to be institutional investors according to the following definitions:*

- *investors defined in Article 174 (2) of the 2010 Law;*
- *entities managing important shares or funds such as credit institutions, professionals of the financial sector, insurance and re-insurance companies, investment and pension funds, holding companies, subscribing on their own behalf and for their own account or for the account of their clients under discretionary management mandates;*
- *national, regional and local authorities;*
- *various sub-funds of the SICAV in accordance with Article 181(8) of the 2010 Law.*