



THE DRIVE YOU DEMAND

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

UBAM - US DOLLAR BOND

US government bond fund that can proactively diversify across fixed income segments

UBAM - US Dollar Bond provides investors with access to the US government bond market. The portfolio seeks to provide an attractive yield via an optimal allocation across fixed income segments and capital appreciation through curve and interest-rate strategies.

Key points

- ◆ *US Treasuries have historically exhibited an attractive risk/return profile*
- ◆ *Macroeconomic-driven investment process that aims to optimise allocation across fixed income segments*
- ◆ *US government bond fund that can invest in high-quality credit to enhance returns when the macroeconomic view is positive for corporate bonds*
- ◆ *Fourteen-strong investment team with considerable expertise in interest rates and credit and ten years' average experience*

Investment case

Government bonds form a significant part of balanced investment portfolios' asset allocations.

As well as providing attractive returns (they have averaged 5.8% per year since 1987 in the US), they have also demonstrated their ability to protect capital: the worst annual return for US Treasuries since 1987 was -3.7% (in 2009).

As a result of their attractive historic risk return profile, US government bonds make up a substantial proportion of balanced portfolios.

Sources UBP, Bloomberg Finance L.P., ICE BofAML US Treasury Index since 1987, as at 31.03.2019

Fund concept

UBAM - US Dollar Bond consists of a core portfolio that invests primarily in USD-denominated government debt. It has the ability to diversify into quasi-government debt and high-grade credit, offering a premium to government bond yields, and it also uses liquid, risk-budgeted fixed income overlay strategies – primarily curve and interest-rate strategies – to enhance returns.

Performance of major asset classes during previous crises: credit crisis and euro sovereign crisis

	Credit crisis 2007/2008	Euro sovereign crisis 2011/2012
US Treasuries	+24.3%	+12.2%
USD investment-grade credit	-2.5%	+18.7%
USD high yield	-24.8%	+20.6%
S&P 500	-33.5%	+18.4%

Sources: UBP, Bloomberg, ICE BofAML indices, credit crisis (from 31.12.06 to 31.12.08), euro sovereign crisis (from 31.12.10 to 31.12.12)
Past performance is not indicative of future results.



UNION BANCAIRE PRIVÉE

Investment process

The investment process focuses on optimising the allocation across fixed income segments using a top-down approach:

- ◆ Build a 6-9-month macroeconomic scenario based on in-house economic indicators and detailed analysis of global business cycles and monetary policies. Our internal indicators have proved consistently effective over the past 15 years.
- ◆ Identify the main market themes (e.g. quantitative easing, euro sovereign crisis, banking regulation) and their consequences for fixed income markets in terms of valuation and investor positioning
- ◆ Define our top-down allocation views in terms of duration, curve, country, swap and credit exposure and build a balanced portfolio
- ◆ Bottom-up fundamental credit research and relative value analysis form the basis of name and instrument selection in our credit holdings

Investment guidelines

- ◆ Benchmark: ICE BofAML US Treasury Master Index
- ◆ Minimum government and quasi-government bond exposure: 60%
- ◆ Minimum rating for an issuer: BBB-/Baa3
- ◆ Duration exposure: +/- 2 years versus the benchmark
- ◆ No structured products (e.g. CDO, ABS, MBS)

Investment team

- ◆ Fourteen-strong team overseeing CHF 18.2 billion's worth of fixed income assets as of 31.12.2018
- ◆ Co-managers Christel Rendu de Lint and Philippe Gräub have successfully co-managed similar strategies for fifteen years

General information

Fund name	UBAM
Sub-fund name	UBAM - US Dollar Bond
Legal form of the fund	Luxembourg-incorporated umbrella SICAV, UCITS
Launch date	12 July 1996
Bid/offer price	NAV
Currency	USD (EUR/CHF/GBP/SEK)
Subscription/redemption	Daily
Management fee	A: 0.50%; I :0.25%
Management company	UBP Asset Management (Europe) S.A.

1. 6 to 9-month macroeconomic scenario

- ◆ Proprietary macroeconomic leading indicators (with 12-year track record)
- ◆ 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 (Basel III), etc.

3. Top-down allocation view

- ◆ Duration exposure
- ◆ Curve exposure
- ◆ Country exposure
- ◆ Swap exposure
- ◆ Credit exposure

4. Bottom-up fundamental credit research & relative value

Name and instrument selection

Main risks

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

SRRI relates to the IC USD share class LU0181361394 as at 31.01.2019. 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. It 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 at whom 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 makes no representations, provides no warranty, and gives no undertaking, express or implied, regarding any of the information, projections or opinions contained herein, nor does it accept any liability whatsoever 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 investors may not get back some or all of their original capital. Any performance data included in this document does not take into account fees, commissions, and expenses charged on issuance and redemption of securities, nor any taxes that may be levied. Changes in exchange rates may cause increases or decreases in investors' returns. All statements other than statements of historical fact in this document are "forward-looking statements". Forward-looking statements do not guarantee future performances. 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 also disclaims any obligation to update forward-looking statements, 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 securities or funds. This document does not replace a prospectus or any other legal documents, which can be obtained free of charge from the registered office of the fund they relate to, 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 financial, legal and tax advice. This document should not be deemed an offer nor a solicitation to buy, subscribe to, or sell any currency, funds, products, or financial instruments, to make any investment, or to 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 such 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, KIIDs, 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'Arion, 1150 Luxembourg, Grand Duchy of Luxembourg, and from Union Bancaire Gestion Institutionnelle (France) SAS, 116 avenue des Champs-Élysées, 75008 Paris, France. The Swiss 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