

# UBAM

## SICAV

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### NOTICE TO THE SHAREHOLDERS OF **UBAM - EUROPE EQUITY DIVIDEND +** and **UBAM - EUROPE MARKET NEUTRAL**

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Luxembourg, April 29, 2020

Dear Shareholders,

The Board of Directors of UBAM informs you of the decision taken by circular resolution, i.e.:

The UBAM - EUROPE EQUITY DIVIDEND+ sub-fund will merge at 12:00 p.m. on 2<sup>nd</sup> June 2020 with the UBAM - EUROPE MARKET NEUTRAL sub-fund of UBAM, the latter absorbing the former in accordance with the type of merger described in article 1 point 20 a) of the law of 17<sup>th</sup> December 2010.

This merger is motivated by the fact that the assets of the sub-fund UBAM - EUROPE EQUITY DIVIDEND + (the "Absorbed Sub-fund") are low, which renders its management not very effective. The sub-fund UBAM - EUROPE MARKET NEUTRAL (the "Absorbing Sub-fund") offers a more efficient and suitable solution to the shareholders of the Absorbed Sub-fund, with similar SRRI and lower ongoing charges.

The merger will become effective on 2<sup>nd</sup> June 2020 at 12:00 p.m.

The investment policies and objectives of the Absorbing and the Absorbed Sub-funds are differentiated as follows:

#### **UBAM - EUROPE EQUITY DIVIDEND+**

This sub-fund invests its net assets in equities issued, for at least 75% of the net assets, by companies having their registered office in the European Union, in the United Kingdom and/or in the European Economic Area (excluding Liechtenstein) and, on an ancillary basis, up to 25%, in warrants on transferable securities, convertible bonds or bonds with warrants on transferable securities, bonds and other debt securities and money market instruments.

This sub-fund focuses primarily on companies offering an attractive dividend return.

In addition, the sub-fund will use derivative instruments, including stock options and stock index options, (i.e. covered calls strategy or puts selling) for effective management as well as for hedging purposes. The use of these derivative instruments will aim to increase distributable income and reduce portfolio volatility of the sub-fund.

The net asset value is expressed in EUR.

*Standard investor profile: this sub-fund is suitable for investors willing to take higher risks linked to investments on stock markets in order to maximise their returns. In this way, investors should have experience in volatile products and should be able to accept significant losses. Investors should consider a long-term investment horizon of at least 5 years in order to overcome potentially unfavourable market trends.*

- *Risk calculation: absolute VaR approach*
- *Leverage calculation methodology: sum of the notionals*
- *Expected leverage: 250%. Please note that depending on market conditions the leverage level could be higher.*

## UBAM - EUROPE MARKET NEUTRAL

This sub-fund has two sub-strategies: one is picking stocks on the European stock market and the second one is hedging the equity exposure linked to the first strategy. The second strategy is calibrated to neutralize completely (if no active bet is implemented, i.e. neutral stance) the ex-ante equity exposure of the first strategy, which translates into an equity market neutral exposure at the sub-fund level.

This sub-fund invests its net assets:

- Primarily in equities issued by companies having their registered office in the European Union, the United Kingdom, Switzerland and/or in the European Economic Area and, on an ancillary basis, up to 25%, in warrants on transferable securities, convertible bonds or bonds with warrants on transferable securities, bonds and other debt securities and money market instruments. The stock selection is determined by quantitatively selecting, among a selection of European equity portfolios, the best contributors in terms of both performance and tracking error
- In a discretionary proprietary overlay strategy intended to provide to investors a better risk adjusted return with lower volatility and reduced drawdown. This strategy will be implemented using derivative instruments comprising, among others, options and futures essentially on European equities indices, or related volatility equities indices. This hedging strategy aims to cover the market risk of the European equity market exposure by dynamically adjusting the short exposure.

The net asset value is expressed in EUR.

*Standard investor profile: this sub-fund is suitable for investors willing to take higher risks linked to investments on stock markets in order to maximise their returns. In this way, investors should have experience in volatile products and should be able to accept significant losses. Investors should consider a long-term investment horizon of at least 5 years in order to overcome potentially unfavourable market trends.*

- Risk calculation: absolute VaR approach
- Leverage calculation methodology: sum of the notionals
- Expected leverage: 300%. Please note that depending on market conditions the leverage level could be higher.

**The management fees are mentioned in the below table.**

Shareholders of the Absorbed Sub-Fund will be allocated shares of the Absorbing Sub-Fund of the same Type with the same characteristics (Currency, Accumulation/Distribution) as their shares held in the Absorbed Sub-Fund as indicated below:

Absorbed Sub-fund UBAM - Europe Equity Dividend+				Absorbing Sub-fund UBAM - Europe Market Neutral			
ISIN	Class	Applicable Management fee	Ongoing charges	ISIN	Class	Applicable Management fee	Ongoing charges
LU0717718067	AC EUR	1.50%	2.22%	LU2001956478	AC EUR	1.00%	1.60%
LU0717718224	ADq EUR	1.50%	2.22%	LU2001956551	AD EUR (b)	1.00%	1.60%(a)
LU0782407331	AHC EUR	1.50%	2.23%	LU2001956478	AC EUR (c)	1.00%	1.60%(a)
LU0782407760	AHC CHF	1.50%	2.22%	LU2019297253	AHC CHF	1.00%	1.60%(a)
LU0717721871	AC USD	1.50%	2.22%	LU2001956809	AC USD	1.00%	1.60%(a)
LU0717722093	ADq USD	1.50%	2.22%	LU2001956981	ADq USD (b)	1.00%	1.60%(a)
LU0782408149	AHC USD	1.50%	2.21%	LU2019297410	AHC USD	1.00%	1.60%(a)
LU0717719891	IC EUR	1.00%	1.47%	LU2001957443	IC EUR	0.65%	1.01%
LU0717720394	IDq EUR	1.00%	1.47%	LU2001957526	ID EUR (b)	0.65%	1.01%(a)
LU0782410046	IHC EUR	1.00%	1.47%	LU2001957443	IC EUR (c)	0.65%	1.01%(a)

LU0717721368	IC CHF	1.00%	1.49%	LU2001957872	IC CHF	0.65%	1.01%
LU0782411283	IHDq USD	1.00%	1.47%	LU2019298491	IHD USD (b)	0.65%	1.01%(a)
LU0782412174	IHDq GBP	1.00%	1.49%	LU2019298814	IHD GBP (b)	0.65%	1.01%(a)
LU0862313441	UDq EUR	0.65%	1.37%	LU2001958847	UD EUR (b)	0.65%	1.01%(a)
LU0717720550	RC EUR	2.00%	2.72%	LU2001959142	RC EUR	2.00%	2.60%(a)
LU0717720717	RDq EUR	2.00%	2.72%	LU2001959225	RD EUR (b)	2.00%	2.60%(a)

- (a) These share classes being presently inactive, this number is an estimate.
- (b) As no quarterly distribution share classes (Dq) exist in the Absorbing Sub-Fund, the shareholders will receive a yearly distribution share class (D).
- (c) As some currency hedged share classes (H) do not exist in the Absorbing Sub-Fund, the concerned shareholders will receive non hedged share classes.

The other fees charged to the Absorbing Sub-fund are identical to those applied to the Absorbed Sub-fund.

The assets of the Absorbed Sub-fund will be mainly sold before the date of calculation of the exchange ratio mentioned below. This will involve transaction fees that will be borne by the Absorbed Sub-Fund. Thus, the assets of the Absorbed Sub-fund that will be contributed to the Absorbing Sub-fund will be in compliance with the latter's investment policy and the merger will have no negative impact on its performance and the portfolio composition.

The SRRI of all the share classes of the Absorbed Sub-fund are between 4 and 5 whereas those of the Absorbing Sub-fund are lower, between 3 and 4.

UBAM - EUPOPE EQUITY DIVIDEND+ and UBAM - EUROPE MARKET NEUTRAL being 2 sub-funds of the same legal entity, their taxation is identical. The shareholders are however advised to seek information on the potential impact the planned merger may have on their personal taxation.

The cost of this merger will be borne by UBP Asset Management (Europe) S.A., Luxembourg.

As from the date of this notification and until the carrying out of the merger decision, (i) no shares of UBAM - EUROPE EQUITY DIVIDEND+ will be issued but (ii) it shall continue to buy back its shares. Shareholders of both the Absorbed Sub-fund and the Absorbing Sub-fund who do not agree with the merger can ask for the redemption of their shares free of charge until 1pm on 2<sup>nd</sup> June 2020.

Shareholders of UBAM - EUROPE EQUITY DIVIDEND+ who have not requested the redemption of their shares by 1pm on 2<sup>nd</sup> June 2020 will be allocated UBAM - EUROPE MARKET NEUTRAL corresponding shares according to the above table.

The calculation of the exchange ratio will be made on 3<sup>rd</sup> June 2020 by dividing the net asset value (NAV) per share of the Absorbed Sub-fund dated 2<sup>nd</sup> June 2020 by the NAV of the corresponding share class of the Absorbing Sub-fund dated 2<sup>nd</sup> June 2020. The calculation of the exchange ratio will be checked by the auditors of UBAM.

The prospectus, the Key Investor Information Documents (KIIDs) as well as the last periodic reports of UBAM will be available free of charge for all investors at the registered office of UBAM, 287-289, route d'Arlon, L-1150 Luxembourg, Grand-Duchy of Luxembourg as well as on the website of UBP ([www.ubp.com](http://www.ubp.com)). A copy of the auditor's report on the merger as well as all additional information will be available at the registered office of UBAM. The Key Investor Information Documents (KIIDs) of the Absorbing Sub-fund are also attached to the present notice.

The Board of Directors of UBAM

Encl : Absorbing share class KIID