

# UBAM

287-289, Route d'Arlon, L-1150 Luxembourg

R.C.S. Luxembourg N° B 35 412

## INFORMATION AND NOTICE TO THE SHAREHOLDERS OF

### UBAM - ABSOLUTE RETURN LOW VOL FIXED INCOME UBAM - ABSOLUTE RETURN FIXED INCOME

Dear Shareholders,

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

The sub-fund UBAM - ABSOLUTE RETURN LOW VOL FIXED INCOME (the "Absorbed Sub-Fund") will merge with the sub-fund UBAM - ABSOLUTE RETURN FIXED INCOME (the "Absorbing Sub-Fund"), 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 Absorbing Sub-Fund would enable a greater diversification and opportunities in a new market regime with higher interest rates and inflation. The investment process of both Sub-Funds is the same and they are managed by the same entity. The Absorbing Sub-Fund and the Absorbed Sub-Fund have the same SRI (2). Both Sub-Funds are classified as Article 8 under the Sustainable Finance Disclosure Regulation ("SFDR").

The merger will become effective on 22 August 2023 (the "Effective Date").

The investment policies and objectives of the Absorbing and the Absorbed Sub-Funds differ as follows.

UBAM - ABSOLUTE RETURN LOW VOL FIXED INCOME	UBAM - ABSOLUTE RETURN FIXED INCOME
<p>Sub-Fund denominated in EUR and which invests its net assets primarily in any kind of:</p> <ul style="list-style-type: none"><li>- bonds denominated in any kind of currencies;</li><li>- money market instruments denominated in any kind of currencies and;</li><li>- fixed income and currency derivatives denominated in any kind of currencies such as CDS, futures, swaps and options.</li></ul> <p>This Sub-Fund may invest up to:</p> <ul style="list-style-type: none"><li>- 40% of its net assets in transferable securities of Emerging countries;</li><li>- 50% of its net assets in high yield products.</li></ul> <p>Emerging countries part may include investments in China through Bond Connect up to the Emerging countries limit above. Please refer to the related risks in the "<a href="#">RISK FACTORS</a>" chapter of this prospectus</p> <p>The Sub-Fund is allowed to invest without limits in currencies other than its base currency (EUR).</p>	<p>Sub-Fund denominated in EUR and which invests its net assets primarily in global credit markets without any limitation of geography.</p> <p>This Sub-Fund will invest in:</p> <ul style="list-style-type: none"><li>- Emerging countries up to 60%;</li><li>- High Yield up to 80%;</li><li>- asset backed securities up to 20%;</li><li>- equity, including equity derivatives up to 20%;</li><li>- Contingent Convertible bonds up to 20%.</li></ul> <p>Emerging countries part may include investments in China through Bond Connect up to the Emerging countries limit above. Please refer to the related risks in the "<a href="#">RISK FACTORS</a>" chapter of this prospectus</p> <p>The contingent convertible bond exposure will aim to increase and diversify the financial subordinated risk where the Investment Manager deems it appropriate.</p> <p>The Sub-Fund is allowed to invest without limits in currencies other than its base currency (EUR). The</p>

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<p>The currency risk is limited to 30% of the net assets of the Sub-Fund. The Sub-Fund's currency exposure can either come from direct exposures to currencies other than the base currency (EUR) (including via derivatives such as but not limited to FX Forwards), or by not hedging investments in currencies other than the base currency (EUR).</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>In normal market conditions, it is expected that the annualized volatility will be below 2%. This annualized volatility is a goal that the Investment Manager will strive to achieve under normal market conditions and cannot be guaranteed.</p> <p>A minimum of 50% of the Sub-Fund's allocation to bonds will be invested in issuers deemed to maintain sustainable characteristics as measured by MSCI ESG research. Sustainable characteristics are defined as an ESG rating equal or superior to BBB for developed market issuers and equal or superior to BB for emerging market issuers. In the absence of an MSCI rating, an internal rating may be assigned by the Investment Manager.</p> <p>The ESG investment strategy is based on three pillars:</p> <ul style="list-style-type: none"> <li>- Sector exclusion according to the UBP Responsible Investment policy (available on <a href="https://www.ubp.com/en/investment-expertise/responsible-investment">https://www.ubp.com/en/investment-expertise/responsible-investment</a>)</li> <li>- ESG integration. ESG integration is implemented to select issuers. The issuer selection derives from the analysis of both environmental, social and governance (extra-financial) factors and financial factors.</li> </ul> <p>This process has two key inputs:</p> <ul style="list-style-type: none"> <li>• Independent and forward-looking review of the ESG risks and opportunities for an issuer relying on internal and external research. This review produces an ESG view.</li> <li>• Independent and forward-looking review of the financial risks and opportunities for an issuer relying on internal and external research. This review produces a financial view.</li> </ul> <p>ESG and financial views are combined to select the issuers. At least 80% of the Sub-Fund allocation to bonds is covered by the extra-financial analysis.</p>	<p>currency risk is limited to 30% of the net assets of the Sub-Fund. The Sub-Fund's currency exposure can either come from direct exposures to currencies other than the base currency (EUR) (including via derivatives such as but not limited to FX Forwards), or by not hedging investments in currencies other than the base currency (EUR).</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>A minimum of 50% of the Sub-Fund's allocation to bonds will be invested in issuers deemed to maintain sustainable characteristics as measured by MSCI ESG research. Sustainable characteristics are defined as an ESG rating equal or superior to BBB for developed market issuers and equal or superior to BB for emerging market issuers. In the absence of an MSCI rating, an internal rating may be assigned by the Investment Manager.</p> <p>The ESG investment strategy is based on three pillars:</p> <ul style="list-style-type: none"> <li>- Sector exclusion according to the UBP Responsible Investment policy (available on <a href="https://www.ubp.com/en/investment-expertise/responsible-investment">https://www.ubp.com/en/investment-expertise/responsible-investment</a>)</li> <li>- ESG integration. ESG integration is implemented to select issuers. The issuer selection derives from the analysis of both environmental, social and governance (extra-financial) factors and financial factors.</li> </ul> <p>This process has two key inputs:</p> <ul style="list-style-type: none"> <li>• Independent and forward-looking review of the ESG risks and opportunities for an issuer relying on internal and external research. This review produces an ESG view.</li> <li>• Independent and forward-looking review of the financial risks and opportunities for an issuer relying on internal and external research. This review produces a financial view.</li> </ul> <p>ESG and financial views are combined to select the issuers. At least 80% of the Sub-Fund allocation to bonds is covered by the extra-financial analysis.</p>

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<p>- Preference for Green, Social and Sustainability bonds. The preference for Green, Social and Sustainability bonds should be considered as an objective and is conditional to liquidity conditions and relative value analysis.</p> <p>The Sub-Fund can invest in derivatives. Derivative instruments do not participate in reaching the environmental or social characteristics promoted by the Sub-Fund. The use of derivatives has no material impact on the E and S characteristics.</p> <p>Although this Sub-Fund is classified Article 8 SFDR its underlying investments do not take into account the EU criteria for environmentally sustainable economic activities (Article 7 of EU Taxonomy Regulation).</p> <p>More information about SFDR is available in the SFDR Schedule (1).</p> <p>The net asset value is expressed in EUR</p> <p>A performance fee is use for some share classes (the "Benchmark") according to the chapter "<a href="#">PERFORMANCE FEE</a>". The Benchmark is not representative of the Sub-Fund's risk profile and the performance of the Sub-Fund is likely to be significantly different from that of the Benchmark because the Investment Manager has significant discretion to deviate from its securities and weightings.</p> <p><i>Standard investor profile: this Sub-Fund is suitable for investors who need a well-diversified bond allocation in their portfolio, but with a high risk profile due to the high volatility linked to the High Yield and emerging markets. Investors should have experience in volatile products and financial markets, and particularly in High Yield and emerging markets. They should have a minimum investment horizon of 2 years and should be able to accept significant losses.</i></p> <ul style="list-style-type: none"> <li>- Risk calculation: absolute VaR approach</li> <li>- Leverage calculation methodology: sum of the notionals</li> <li>- Expected leverage: 200%. Please note that depending on market conditions the leverage level could be higher.</li> </ul>	<p>- Preference for Green, Social and Sustainability bonds. The preference for Green, Social and Sustainability bonds should be considered as an objective and is conditional to liquidity conditions and relative value analysis.</p> <p>The Sub-Fund can invest in derivatives. Derivative instruments do not participate in reaching the environmental or social characteristics promoted by the Sub-Fund. The use of derivatives has no material impact on the E and S characteristics.</p> <p>Although this Sub-Fund is classified Article 8 SFDR its underlying investments do not take into account the EU criteria for environmentally sustainable economic activities (Article 7 of EU Taxonomy Regulation).</p> <p>More information about SFDR is available in the SFDR Schedule (1).</p> <p>The net asset value is expressed in EUR.</p> <p>A performance fee is use for some share classes (the "Benchmark") according to the chapter "<a href="#">PERFORMANCE FEE</a>". The Benchmark is not representative of the Sub-Fund's risk profile and the performance of the Sub-Fund is likely to be significantly different from that of the Benchmark because the Investment Manager has significant discretion to deviate from its securities and weightings.</p> <p><i>Standard investor profile: this Sub-Fund is suitable for investors who need a well-diversified bond allocation in their portfolio with a potential small portion in equity, with a high risk profile due to the high volatility linked to the High Yield and Emerging markets. Investors should have experience in volatile products and financial markets, and particularly in High Yield and Emerging markets. They should have a minimum investment horizon of 3 years and should be able to accept significant losses.</i></p> <ul style="list-style-type: none"> <li>- Risk calculation: absolute VaR approach</li> <li>- Leverage calculation methodology: sum of the notionals</li> <li>- Expected leverage: 300%. Please note that depending on market conditions the leverage level could be higher.</li> </ul>

(1) Following the entry into force on 1<sup>st</sup> January 2023 of the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing the SFDR (hereafter "SFDR Level 2"), please note that, in addition to the information already available on SFDR for the Absorbed and Absorbing Sub-Funds, a SFDR Schedule for both of those Sub-Funds is available. Shareholders of the Absorbed Sub-Fund intending to be part of this Merger are therefore invited to refer to the SFDR Schedule of the Absorbing Sub-Fund in the latest version of the prospectus of UBAM's prospectus, available upon request free of

charge at the registered office of UBAM, located at 287-289, route d'Arlon, L-1150 Luxembourg, Grand-Duchy of Luxembourg as well as on the website of the Management Company of UBAM ([www.ubp.com](http://www.ubp.com)).

## SFDR

<b>UBAM - ABSOLUTE RETURN LOW VOL FIXED INCOME</b>	<b>UBAM - ABSOLUTE RETURN FIXED INCOME</b>
<b>Article 8</b>	<b>Article 8</b>

More information on SFDR is available in UBAM's prospectus on pages 21 and 22.

**The management fees and ongoing charges are mentioned in the below table.**

The shareholders of the Absorbed Sub-Fund will receive shares of the Absorbing Sub-Fund of the same Type and having the closest characteristics possible (currency, capitalisation, distribution) as the shares held in the Absorbed Sub-Fund, as shown in the below table:

Absorbed Sub-Fund				Absorbing Sub-Fund			
UBAM - ABSOLUTE RETURN LOW VOL FIXED INCOME				UBAM - ABSOLUTE RETURN FIXED INCOME			
ISIN	Class	Applicable Management fee	Ongoing costs (excluding transactions costs)	ISIN	Class	Applicable Management fee	Ongoing costs (excluding transactions costs)
LU1315126943	AC EUR	0.40%	0.54%	LU1315123684	AC EUR	0.75%	1.25%
LU1315128055	AHD USD	0.40%	0.54%	LU1315124146	AHD USD	0.75%	1.24% (a)
LU0940720344	APC EUR (b)	0.35%	0.49%	LU1088683765	APC EUR (c)	0.50%	1.00%
LU0940720427	APD EUR (b)	0.35%	0.49%	LU1088684060	APD EUR (c)	0.50%	1.00% (a)
LU0940720856	APHC USD (b)	0.35%	0.49%	LU1088685117	APHC USD (c)	0.50%	1.00%
LU0940721235	APHC GBP (b)	0.35%	0.49%	LU1088686438	APHC GBP (c)	0.50%	0.99%
LU0940721318	APHD GBP (b)	0.35%	0.49%	LU1088686602	APHD GBP (c)	0.50%	0.99% (a)
LU1315129293	IC EUR	0.30%	0.44%	LU1315124732	IC EUR	0.40%	0.71%
LU1315129616	IHC CHF	0.30%	0.44%	LU1315124906	IHC CHF	0.40%	0.71% (a)
LU1315130978	IHC GBP	0.30%	0.44%	LU1315125549	IHC GBP	0.40%	0.71% (a)
LU0940721409	IPC EUR (b)	0.25%	0.39%	LU1088686941	IPC EUR (c)	0.30%	0.62%
LU0940721664	IPHC CHF (b)	0.25%	0.39%	LU1088687329	IPHC CHF (c)	0.30%	0.62% (a)
LU0940721748	IPHD CHF (b)	0.25%	0.39%	LU1088687758	IPHD CHF (c)	0.30%	0.62% (a)
LU0940721821	IPHC USD (b)	0.25%	0.39%	LU1088687915	IPHC USD (c)	0.30%	0.62%
LU2256740866	I+PC EUR (b)	0.15%	0.29%	LU1088686941	IPC EUR (c)	0.30%	0.62%
LU0940722803	UPC EUR (b)	0.25%	0.44%	LU1088689457	UPC EUR (c)	0.30%	0.80% (a)
LU0940723017	UPHC GBP (b)	0.25%	0.44%	LU1088689887	UPHC GBP (c)	0.30%	0.80%
LU0940722639	RC EUR	0.50%	0.64%	LU1088690208	RC EUR	1.00%	1.49% (a)

(a) This share class being presently inactive, this number is an estimate

(b) For Shareholders of the Absorbed Sub-Fund, a performance fee of 20% corresponding to a percentage of the Absorbed Sub-Fund's higher net return may be perceived by the Management Company of UBAM, respectively for each class in relation to a benchmark index or a fixed returned rate if the minimum return rates per annum (hurdle) are met:

*For EUR Share classes Euro Short Term Rate (€STR) + 1%*

*For hedged non-EUR share classes:*

*USD hedged Share classes: SOFR Overnight Rate Index + 1%*

GBP hedged Share classes: SONIA Overnight Rate Index + 1%

CHF hedged Share classes: SARON Overnight Rate Index + 1%

(c) Starting from the Effective Date, shareholders of the Absorbed Sub-Fund who will become shareholders of the Absorbing Sub-Fund will be invested in similar share classes, except that a performance fee of 20% corresponding to a percentage of the Absorbed Sub-Fund's higher net return may be perceived by the Management Company of UBAM, respectively for each class in relation to a benchmark index or a fixed returned rate if the minimum return rates per annum (hurdle) are met:

For EUR Share classes: Euro Short Term Rate (€STR) + 2%

For hedged non-EUR share classes:

USD hedged Share classes: SOFR Overnight Rate Index + 2%

GBP hedged Share classes: SONIA Overnight Rate Index + 2%

CHF hedged Share classes: SARON Overnight Rate Index + 2%

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

Most of the Absorbed Sub-Fund's assets will be transferred into the Absorbing Sub-Fund by the Effective Date, while the remaining part of those assets that are not in line with the investment policy of the Absorbing Sub-Fund will be sold by the Effective Date.

The contribution of the assets of the Absorbed Sub-Fund being done in compliance with the investment policy of the Absorbing Sub-Fund, the merger will have no negative impact on the performance and the composition of the Absorbing Sub-Fund's portfolio. Also, no significant or material rebalancing of the Absorbing Fund's portfolio is expected before or after the Merger.

Absorbed Sub-Fund	Absorbing Sub-Fund
<b>UBAM - ABSOLUTE RETURN LOW VOL FIXED INCOME (All share classes)</b>	<b>UBAM - ABSOLUTE RETURN FIXED INCOME (All share classes)</b>
<b>SRI = 2</b>	<b>SRI = 2</b>

The Absorbing Sub-Fund and the Absorbed Sub-Fund have the same SRI.

The Absorbed Sub-Fund and the Absorbing Sub-Fund 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 the Absorbed Sub-Fund 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 14 August 2023.

Shareholders of the Absorbed Sub-Fund who have not requested the redemption of their shares by 1pm on 14 August 2023 will be allocated corresponding shares of the Absorbing Sub-Fund according to the above table, and will be considered, starting from August 22, 2023, as shareholders of the Absorbing Sub-Fund, with the full rights associated with such status.

The calculation of the exchange ratio will be made on 22 August 2023 by dividing the net asset value (NAV) per share of the Absorbed Sub-Fund dated 21 August 2023 by the NAV of the corresponding share class of the Absorbing Sub-Fund dated 21 August 2023. The calculation of the exchange ratio will be checked by Deloitte Audit Sàrl, the auditors of UBAM.

The prospectus, the Key Information Documents (KIDs) as well as the latest periodic reports of UBAM will be available free of charge for all investors upon request 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 the Management Company of UBAM ([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 prospectus, the key information document, the articles of association and the annual and semi-annual reports can be obtained free of charge on request at the registered office of the Fund or the representative in Switzerland as well as on the website of UBP ([www.ubp.com](http://www.ubp.com)).

Geneva, July 14, 2023

The Representative and Paying Agent of the Fund in Switzerland:

Union Bancaire Privée, UBP SA, rue du Rhône 96-98, case postale 1320, CH-1211 Genève 1.