SUSTAINABILITY-RELATED DISCLOSURES

UBAM – Emerging Market Corporate Bond Short Duration

Date: December 31, 2022

Union Bancaire Privée, UBP SA | Asset Management

UBP
UNION BANCAIRE PRIVÉE

SUSTAINABILITY-RELATED DISCLOSURE

UBAM – EMERGING MARKET CORPORATE BOND SHORT DURATION– ARTICLE 8

Summary

This Sub-Fund invests primarily in short duration bonds, denominated in hard currencies and issued by emerging market corporate issuers with sound ESG practices.

It promotes environmental and social characteristics but does not have as its objective sustainable investment.

These characteristics are measured relative to those of the Emerging Market (EM) corporate bond universe, as measured by the JP Morgan Corporate EMBI Diversified index, and include:

- better ESG practices, as measured by a higher ESG quality score
- a lower weighted average carbon intensity
- a greater respect of international norms such as the UN Global Compact.

The index is a standard reference representing the Sub-Fund's universe but is not aligned with the environmental and social characteristics promoted by this Sub-Fund.

The investment strategy relies on credit and macroeconomic assessment, environmental, social and governance (ESG) analysis as well as on relative value.

The ESG approach starts with the filtering of the investment universe, which includes norm-based screening and the exclusion of some controversial activities as well as of issuers with the worst ESG practices.

It is followed by the integration of ESG considerations into the issuers' qualitative credit assessment conducted internally, as the Investment Manager believes that sound ESG credentials can help improve issuers' creditworthiness.

The assessment of issuers' governance is essential and is fully integrated in the Investment Manager's ESG and credit analysis, as it can have a significant impact on a company's ability and willingness to pay back its debt.

The Investment Manager takes into consideration and seeks to minimize the following potential principal adverse impacts of its investments: 1) GHG Intensity of Investee Companies, 2) Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises and 3) Exposure to Controversial Weapons.

ESG analysis, combining both internal and external ESG research, covers at least 90% of the Sub-Fund's portfolio.

This Sub-Fund invests at least 60% of its assets in bonds from corporate/quasi-sovereign or, to a lesser extent, sovereign issuers, that are aligned with the environmental and social characteristics promoted by the strategy.

The binding criteria used to attain each of the environmental and/or social characteristics promoted by the Sub-Fund are integrated in control systems, to ensure pre- and post-trade checks. Compliance is monitored by the Risk department on an ongoing basis.

The Investment Manager may use data reported directly by issuers or sourced from third-party data providers such as MSCI ESG Research or Sustainalytics. The service and data quality provided by third-party ESG data providers are reviewed regularly.

Depending on the metric considered, some data may be estimated by data providers. Although the Investment Manager applies a thorough selection process of third-party providers, their processes and proprietary ESG methodology may be flawed. As a result, there is a risk of incorrectly assessing an issuer, resulting in an inappropriate capture of ESG risks and potential incorrect inclusion or exclusion in the product. This is expected to have limited impact on the overall environmental and/or social characteristics promoted by the product.

The investment due diligence process ensures that the investment decisions comply with the objectives and the investment strategy of the Sub-Fund. The consideration of sustainability-related risks is integrated into the investment decision-making process to ensure better-informed investment decisions as well as awareness of the risk exposure. The first level of due diligence is conducted by the Investment Manager, while the second level is conducted by the Risk department.

Engagement with investee companies may occur. It can be conducted collaboratively as well as, on an ad-hoc basis, directly by the Investment Manager, as part of its overall ESG assessment.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by this Sub-Fund.

No sustainable investment objective

This Sub-Fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

This Sub-Fund aims to have better environmental and social characteristics than the Emerging Market (EM) corporate bond universe, as measured by the JP Morgan Corporate EMBI Diversified index.

These characteristics include better ESG practices, a lower carbon intensity and a greater respect of international norms such as the UN Global compact.

To measure the attainement of each of the environmental and social characteristics promoted by this Sub-Fund, we consider the Sub-Fund's performance against its reference index on the following indicators:

- the overall ESG quality score

- the investee companies' weighted average carbon intensity in tons of CO_2 per million of USD revenues

- the share of companies in breach of UN Global Compact and other international norms, as measured by MSCI red overall controversy flag

The benchmark is a standard reference representing the Sub-Fund's universe but is not aligned with the environmental and social characteristics promoted by this Sub-Fund.

Investment strategy

This Sub-Fund invests primarily in short duration bonds, denominated in hard currencies and issued by emerging market corporate issuers with sound ESG practices.

The investment strategy relies on credit and macroeconomic assessment, ESG analysis as well as on relative value. The ESG approach combines the filtering of the investment universe and the integration of environmental, social and governance considerations.

ESG considerations are notably integrated into the issuers' qualitative credit assessment conducted internally, as the Investment Manager believes, alongside rating agencies, that sound ESG credentials can help improve issuers' creditworthiness. To conduct this ESG analysis, the Investment Manager relies on different sources of information and data, including for instance companies' annual and/or sustainability reports, ad-hoc engagement with issuers, credit agencies' ESG review, as well as external ESG data and scoring providers.

This Sub-Fund aims to deliver financial performance, derived notably from the carry offered by short-dated emerging market bonds. For that purpose, some investments may be included that are not aligned with the E/S characteristics promoted by the Sub-Fund's investment policy.

Issuers are excluded if:

- Their MSCI ESG Rating is CCC

- They bear a Red Controversy Flag by MSCI ESG Research, that is they are identified as in breach of international norms and principles, such as, but not limited to, the UN Global Compact, ILO, the OECD Guidelines for Multinational Enterprises

- They are involved in controversial weapons, tobacco production, adult entertainment production

- They are involved in other contentious business activities, where revenue thresholds apply, such as coal extraction, coal-powered electricity generation, unconventional oil & gas, weapons, other tobacco and adult entertainment activities

In addition, a maximum of 30% of the Sub-Fund can be invested in issuers with an MSCI ESG rating below BB.

ESG analysis, combining both internal and external ESG research, covers at least 90% of the Sub-Fund's portfolio.

This Sub-Fund is primarily invested in emerging market corporate/quasi-sovereign bonds. Assessing Governance is thus essential and is fully integrated in the Investment Manager's ESG and credit analysis, as it can have a significant impact on a company's ability and willingness to pay back its debt. It is based on internal research, which relies on company reports, information provided by other sources such as external ESG data providers, brokers or credit rating agencies. Governance matters are also included in the ESG questionnaire developed by the Investment Manager and which forms the basis for direct engagement. The analysis covers matters such as, but not limited to, ownership structure, Board independence, Board diversity, compliance and anti-corruption policies, whistleblower provisions, potential controversies around matters of bribery or accounting practices. Through this analysis, the Investment Manager will seek to select companies with good governance practices, while avoiding companies with the worst practices, ESG-rated CCC, as well as companies involved in controversies.

Proportion of investments

This Sub-Fund invests at least 60% of its assets in bonds from corporate/quasi-sovereign or, to a lesser extent, sovereign issuers, that are aligned with the environmental and social characteristics promoted by the strategy.

Other investments may include investments that do not participate in attaining the environmental and social characteristics promoted by the strategy, for diversification purposes. As minimum safeguards, however, all issuers are screened to exclude any breaches of international norms. Other investments also include cash for liquidity and risk management purposes as well as derivatives, as described in the prospectus. Such derivatives may be used for different purposes such as, but not limited to, duration management, currency hedging, hedging of country risk, or adding EM credit market exposure. While there are no minimum environmental or social safeguards on these instruments, they are not expected to have a material impact on the environmental and social characteristics of this Sub-Fund.

Monitoring of environmental or social characteristics

The selection criteria used to attain each of the environmental and/or social characteristics promoted by the financial product have been implemented in our control systems. The Risk department (second level of control, fully independent) is in charge of the controls and of the coding of the defined elements within our control systems.

Blocking pre-alerts are automatically generated if a trade is initiated for an asset that is not authorised due to the binding elements of the financial product (e.g. exclusion rules).

Post-trade alerts are generated for excesses, and portfolio managers are notified the day after the breach.

In case of excess, rules are in place to ensure a return to compliance at the earliest possible moment and in the best interest of shareholders.

Methodologies

Overall ESG quality score

MSCI ESG Research's "Overall ESG Quality Score" assesses the resilience of a portfolio's aggregate holdings to long term ESG risks. It is calculated as the weighted average ESG score of the underlying holdings' ESG scores, adjusted for rating momentum and the share of laggard issuers in the portfolio.

The Overall ESG Quality Score ranges from 0-10, with 0 and 10 being the respective lowest and highest possible fund scores.

WACI

To assess the carbon emission intensity of the fund the Investment Manager uses the Weighted Average Carbon Intensity (WACI) scope 1 and 2, expressed in tons CO^2e/USD million sales.

The carbon emission data is provided by an external provider and is classified per the Greenhouse Gas Protocol (GGP). This external provider collects the carbon emission data from all of the companies within their universe on a yearly basis. The data is sourced directly from company reports, such as annual reports or sustainability reports, CDP or government databases. If the data is not disclosed the external provider uses its internal methodology to estimate Scope 1, Scope 2 emissions

Compliance with UN GC

Compliance with the UN GC is assessed by an external provider which provides consistent ongoing assessments of publicly traded companies' and fixed income issuers' involvement in controversies that may constitute a breach of selected global norms and conventions, including the United Nations Global Compact Principles (UNGC).

MSCI Red Flag

MSCI ESG Research analysts identify new ESG controversy cases, such as a breach of international norms (e.g. UN Global Compact, ILO conventions or UN Guiding Principles on Business and Human Rights) and update existing cases by researching company public documents, media sources, and nongovernmental organization (NGO) publications.

For each ESG controversy case, analysts determine:

1. The severity of the case based on the nature and scale of alleged impact

2. The role of the company implicated in the case - Direct or Indirect

3. The status of the case – Concluded, Partially Concluded, Ongoing or achieved

4. Controversy score and flag for each case

Based on these three input factors, overall score and a corresponding colour flag (green, yellow, orange or red) are determined for each of the ESG controversy cases.

A Red Flag indicates an ongoing Very Severe ESG controversy implicating a company directly through its actions, products, or operations.

Data sources and processing

(a) the data sources used to attain each of the environmental or social characteristics promoted by the financial product

The Investment Manager uses data from different sources, including information reported directly by issuers or third-party data providers such as, but not limited to, MSCI ESG Research, ISS ESG and Sustainalytics.

(b) The measures taken to ensure data quality

The Investment Manager reviews regularly the service provided by third-party ESG data providers and engages with them when needed to address potential issues, get a better understanding of the methodologies used or to increase data coverage. This is under the joint responsibility of the Responsible Investment team and the Market data team.

Data providers are requested to provide audited reviews of their processes on an annual basis.

c) how data are processed

The Investment Manager relies on the information they collect from the issuers they analyse (including due diligence reports, management meetings, annual and sustainability reports), as well as from brokers and rating agencies supplemented by external ESG service providers.

Where possible, data feeds are required from data providers and are automatically integrated within our portfolio management system. Where necessary, additional ad-hoc data may also be used.

d) the proportion of data that are estimated

Since the extent of corporate disclosure might vary by region and currently still lacks content and completion, the Investment Manager relies among other things on data from external third-party providers which may be estimated.

The level of estimation per indicator varies significantly depending on the extent of direct disclosure by issuers.

The proportion of estimated data is expected to decrease over time as greater data disclosure regulations come into force.

Limitations to methodologies and data

Although the Investment Manager applies a thorough selection process of third-party providers, their processes and proprietary ESG methodology may be flawed. As a result, there is a risk of incorrectly assessing an issuer, resulting in an inappropriate capture of ESG risks and potential incorrect inclusion or exclusion in the product.

This is expected to have limited impact on the overall environmental and/or social characteristics promoted by the product.

Due diligence

The investment due diligence process ensures that the investment decisions comply with the objectives and the investment strategy of the Sub-Fund. The consideration of sustainability-related risks is integrated into the investment decision-making process to ensure better-informed investment decisions as well as awareness of the risk exposure.

The exclusion policy acts as a first screening in the due diligence process and for funds with sustainable investment objectives, the indicators of the principles of adverse impact are used to ensure that the sustainable investments "do not significantly harm" any environmental or social objectives. The first level of due diligence is conducted by the Investment Manager. The second level of due diligence is conducted by the Risk department, which ensures on-going monitoring.

Engagement policies

Engagement with investee companies may occur. It can be conducted collaboratively as well as, on an ad-hoc basis, directly by the investment team.

Respect of International norms

The Investment Manager has teamed up with an external engagement partner to engage collaboratively in case a company held in its funds is identified as violating international norms, including the UN Global Compact.

Upon identifying potential violation(s) by invested companies of international norms, the external partner places the company under observation. It then:

- Performs due diligence on company's current ESG practices

- Defines engagement objectives and decides on next steps

- Implements an engagement strategy with a clear process and defined timeline

- Provides updates on performance and next steps in real time on a continuous basis

As a reminder, according to the investment manager's Responsible Investment Policy, no investment in an issuer violating the UN Global Compact is allowed for SFDR art. 8 financial products.

Climate Change

The Investment manager participates in collaborative engagement to promote climate disclosures and ambitious climate strategies, notably via the CDP.

Direct engagement

The Investment Manager engages with investee companies on an ad-hoc basis, as part of its overall ESG assessment. It uses a questionnaire tailored to the issuers' current practices. Once the questionnaire is completed, an engagement call with the issuer is arranged to follow-up on the unanswered questions and highlight engagement objectives. Engagement progress is tracked and monitored.

Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by this Sub-Fund.

Disclaimer

This document is intended for informational and/or marketing purposes only. It is intended to be used only by 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.. 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 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 constitute forecasts or budgets; they 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. The contents of this document should not be construed as any form of advice or recommendation to purchase or sell any security or funds. It does not replace a prospectus or any other legal documents, which 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 their 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. Investors are invited to carefully read the risk warnings and the regulations set out in the prospectus or other legal documents and are advised to seek professional counsel from their financial, legal and tax advisors. The tax treatment of any investment in a Fund depends on the investor's individual circumstances and may be subject to change in the future. 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 presentation may be recorded. UBP will assume that, by calling this number, you consent to this recording.

Pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability‐related disclosures in the financial services sector (the "Disclosures Regulation" or "SFDR"), funds are required to make certain disclosures. Funds falling under the scope of Article 6 of the SFDR are those which have been deemed not to pursue an investment approach that explicitly promotes environmental or social characteristics or has sustainable investment as their objective. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. Notwithstanding this classification, the Investment Managers may take account of certain sustainability risks as further described in the fund's prospectus. Funds falling under the scope of Articles 8 or 9 of the SFDR are those subject to sustainability risks within the meaning of the SFDR. The sustainability risks and principal adverse impacts as stipulated in the SFDR are described in the prospectus. In addition, unless otherwise specified, all funds apply the UBP Responsible Investment policy, which is available on https://www.ubp.com/en/investment-expertise/responsible-investment

UBP relies on information and data collected from ESG third party data providers which may prove to be incorrect or incomplete. Although UBP applies a proven selection process of such third-party providers, its processes and proprietary ESG methodology may not necessarily capture appropriately the ESG risks. Indeed, data related to sustainability risks or PAI are today either not available or not yet systematically and fully disclosed by issuers, may be incomplete and may follow various methodologies. Most of the ESG factors information is based on historical data that they may not reflect the future ESG performance or risks of the investments.

ESG information providers: Although Union Bancaire Privée, UBP SA, ESG information providers (the "ESG Parties") obtain information from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness of any data herein. None of the ESG Parties makes any express or implied warranties of any kind, and the ESG Parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to any data herein. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein. Further, without limiting any of the foregoing, in no event shall any of the ESG Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Any subscriptions not based on the funds' latest prospectuses, KIIDs, annual or semi-annual reports or other relevant legal documents (the "Funds' Legal Documents") shall not be acceptable. 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, Switzerland (UBP), 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-Elysées, 75008 Paris, France. The English version of the prospectus of the Fund as well as a summary of investor rights associated with an investment in the Fund are available on www.ubp.com. The fund's management company may decide to terminate or cause to terminate the arrangements made for the marketing of its collective investment undertakings in accordance with Article 93a of Directive 2009/65/EC. 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.

Switzerland: UBP is authorised and regulated in Switzerland by the Swiss Financial Market Supervisory Authority (FINMA). The head office is Union Bancaire Privée, UBP SA, 96-98 rue du Rhône, P.O. Box 1320, 1211 Geneva 1, Switzerland.ubp@ubp.com | www.ubp.com

United Kingdom: UBP is authorised in the United Kingdom by the Prudential Regulation Authority (PRA) and is subject to regulation by the Financial Conduct Authority (FCA) and limited regulation by the PRA.

France: Sales and distribution are carried out by Union Bancaire Gestion Institutionnelle (France) SAS, a management company licensed by the French Autorité des Marchés Financiers, - licence n° AMF GP98041; 116, av. des Champs Elysées l 75008 Paris, France T +33 1 75 77 80 80 Fax +33 1 44 50 16 19 www.ubpamfrance.com

Luxembourg: through UBP Asset Management (Europe) S.A., a Management Company authorised under Chapter 15 of the Law of 17 December 2010 relating to undertakings for collective investment (the "2010 Law") and an Alternative Investment Fund Manager authorised under the Law of 12 July 2013 (the "AIFM Law"), which manages undertakings for collective investment subject to Part I of the 2010 law and other types of funds which qualify as alternative investment funds. 287-289, route d'Arlon P.O. Box 79 1150 Luxembourg T +352 228 007-1 F +352 228 007 221.

Hong Kong: UBP Asset Management Asia Limited (CE No.: AOB278) is licensed with the Securities and Futures Commission to carry on Type 1 – Dealing in Securities, Type 4 – Advising on Securities and Type 9 – Asset Management regulated activities. The document is intended only for Institutional or Corporate Professional Investor and not for public distribution. The contents of this document have not been reviewed by the Securities and Futures Commission in Hong Kong. Investment involves risks. Past performance is not indicative of future performance. Investors should refer to the fund prospectus for further details, including the product features and risk factors. The document is intended only for Institutional Professional Investor and not for public distribution. The contents of this document and any attachments/links contained in this document are for general information only and are not advice. The information does not take into account your specific investment objectives, financial situation and investment needs and is not designed as a substitute for professional advice. You should seek independent professional advice regarding the suitability of an investment product, taking into account your specific investment objectives, financial situation and investment needs before making an investment. The contents of this document and any attachments/links contained in this document have been prepared in good faith. UBP Asset Management Asia Limited (UBP AM Asia) and all of its affiliates accept no liability for any errors or omissions. Please note that the information may also have become outdated since its publication. UBP AM Asia makes no representation that such information is accurate, reliable or complete. In particular, any information sourced from third parties is not necessarily endorsed by UBP AM Asia, and UBP AM Asia has not checked the accuracy or completeness of such third-party information.

Singapore: This document is intended only for accredited investors and institutional investors as defined under the Securities and Futures Act (Cap. 289 of Singapore) ("SFA"). Persons other than accredited investors or institutional investors (as defined in the SFA) are not the intended recipients of this document and must not act upon or rely upon any of the information in this document. The financial products or services to which this material relates will only be made available to clients who are accredited investors or institutional investors under the SFA. This document has not been registered as a prospectus with the MAS. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of this product may not be circulated or distributed, nor may the product be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to institutional investors under Section 274 or 304 of the Securities and Futures Act (Cap. 289) of Singapore ("SFA"), (ii) to relevant persons pursuant to Section 275(1) or 305(1), or any person pursuant to Section 275(1A) or 305(2) of the SFA, and in accordance with the conditions specified in Section 275 or 305 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. This advertisement has not been reviewed by the Monetary Authority of Singapore.