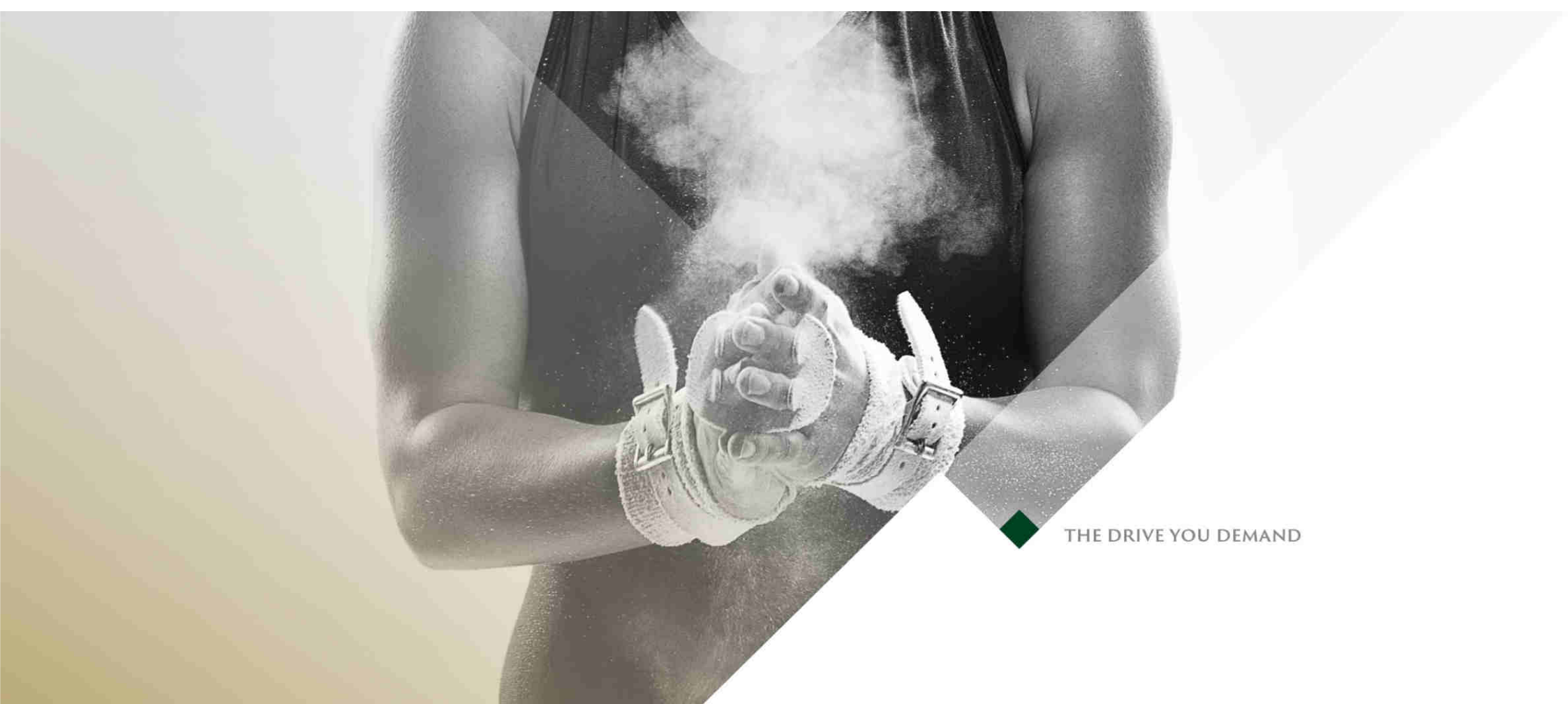




THE DRIVE YOU DEMAND

Itinerari Previdenziali Annual Meeting di studio per Fondazioni di origine bancaria, Varignana 10 Maggio 2018

Elevati rendimenti senza rinunciare alla liquidabilità

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

UBP Asset Management | 11 Maggio 2018



UNION BANCAIRE PRIVÉE

Contenuti

- ◆ Chi è UBP
- ◆ L' *outlook* macroeconomico
- ◆ Cosa offre il mercato
- ◆ I segmenti liquidi ad alto rendimento preferiti da UBP
- ◆ I vantaggi forniti dagli indici di CDS HY
- ◆ Il mercato del debito non quotato: specificità e opportunità
- ◆ UBP PG - Active Income: il concetto innovativo del fondo
- ◆ Appendici

Union Bancaire Privée

Solidità finanziaria e innovazione costante

- ◆ Fondata nel 1969 da Edgar de Picciotto
- ◆ Tra le principali banche private svizzere e le meglio capitalizzate (*Tier 1 ratio* pari al **27.5%***)
- ◆ Focalizzata esclusivamente sulla gestione di attivi patrimoniali per clientela privata e istituzionale
- ◆ Stili d'investimento fondati su forti convinzioni, adotta approcci innovativi orientati alla preservazione del capitale e alla costante ricerca di *performance*
- ◆ Partnership strategiche per la creazione di prodotti innovativi (Partners Group)
- ◆ Presenza internazionale in 20 paesi nel mondo
- ◆ Firmataria dal 2012 dei *Principles for Responsible Investment* dell'ONU (UN – PRI)

Masse in gestione

CHF **125.3** Mld

AM CHF** **39.4** MLD

Fondi propri

CHF **2.2** Mld

Indice TIER 1

27.5 %

Totale di Bilancio

CHF **32.0** Mld

Utile Netto

CHF **220** Mln

Organico

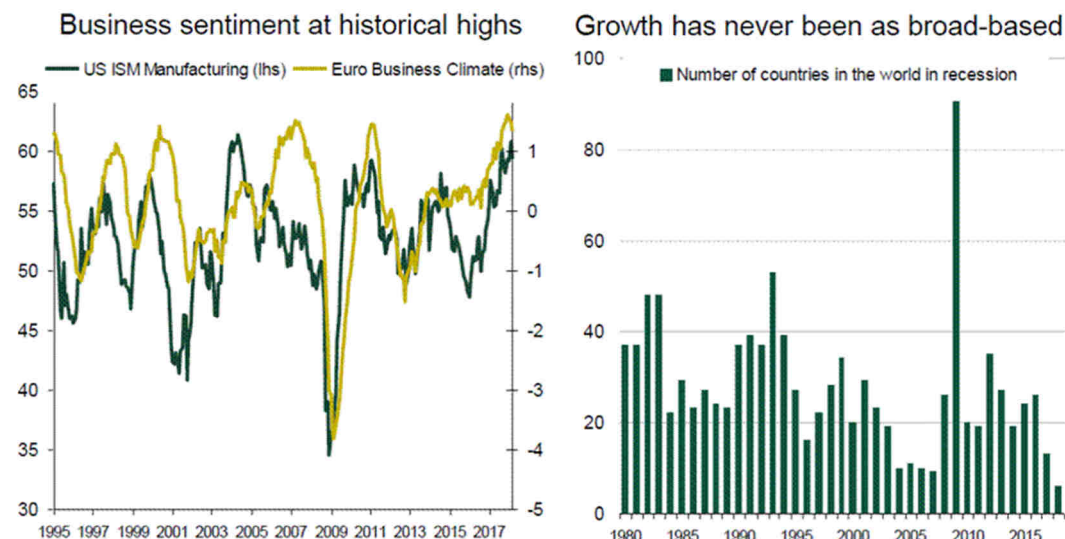
1,697

* I dati sono preliminari, aggiornati al 31/12/2017 ** 30.0 mld CHF riferibili alla clientela istituzionale

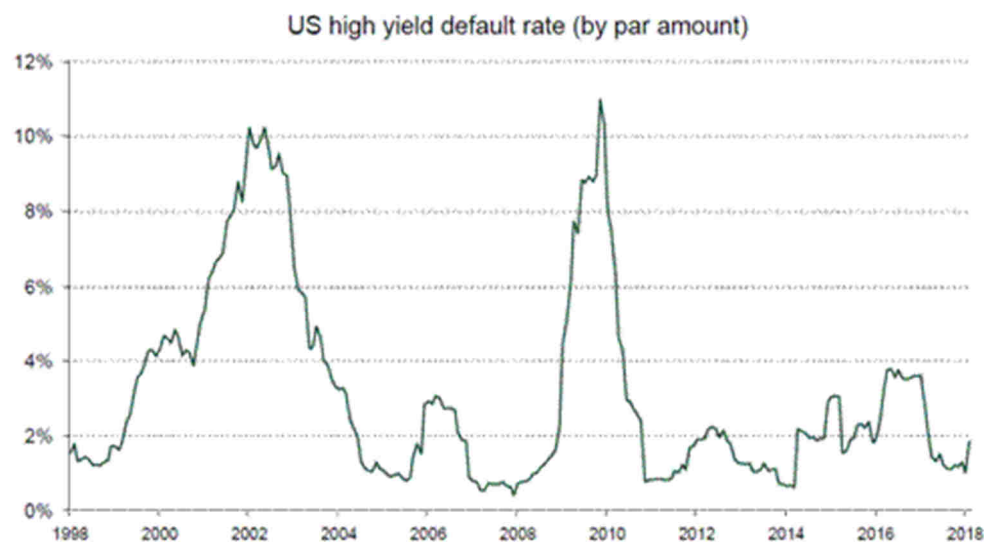
Outlook Macro: contrapposizione tra fatti e timori degli investitori (1/2)

I fatti relativi alle condizioni macroeconomiche attuali:

- ◆ la crescita globale rimane solida e ampia (come fa rilevare l'indicatore di fiducia delle imprese sia negli Stati Uniti che in Europa, ai massimi storici dal 1995 a oggi). Inoltre, dal 1980 a oggi, il numero dei Paesi in recessione non è mai stato così basso in assoluto
- ◆ La crescita economica guida inoltre i tassi di *default*, attualmente ai minimi storici negli Stati Uniti (grafico in basso)
- ◆ l'inflazione resta contenuta (appena sotto la media degli ultimi 20 anni)
- ◆ la FED procede con cautela nell'aumento dei tassi.



Sources: UBP, Bloomberg Finance L.P., IMFWEO, Haver, Deutsche Bank., as of 31.03.2018.

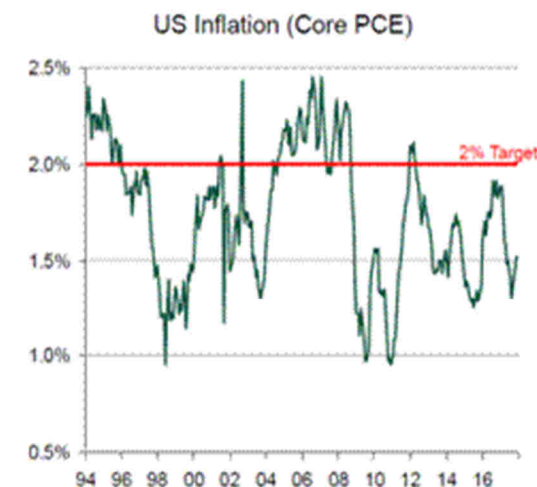


Source(s): JP Morgan, UBP, as of 31.03.2018.
Past performance is not a guide of current or future results.

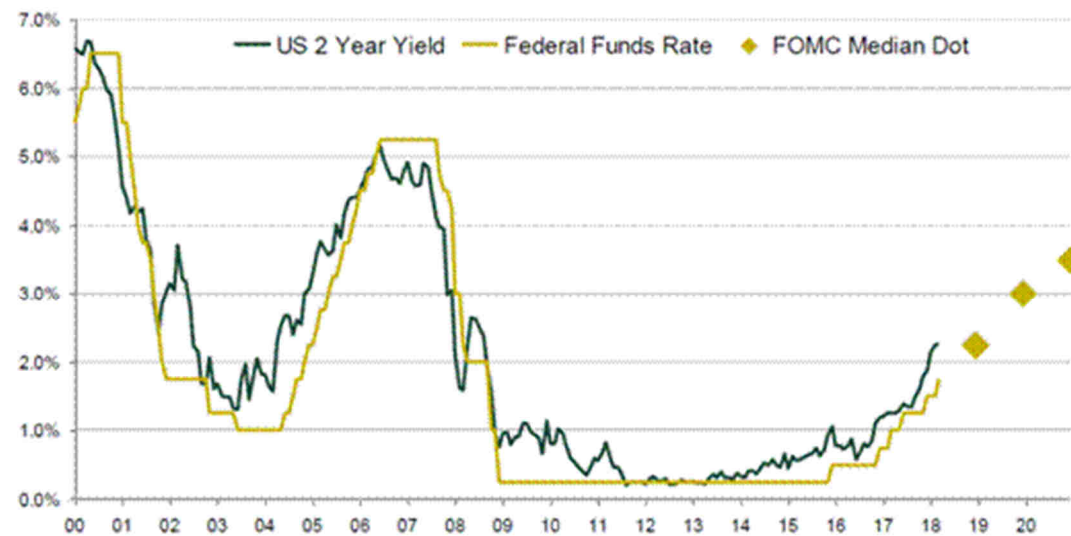
Outlook Macro: contrapposizione tra fatti e timori degli investitori (2/2)

I timori degli investitori, che si trovano in stato di «massima attenzione», sono alimentati da:

- ◆ un recupero dell'inflazione; effettivamente, sia la crescita della produttività che l'inflazione devono ancora recuperare, quale target simmetrico della FED (grafici in alto a destra)
- ◆ una così lunga fase di espansione deve terminare (in lacrime)
- ◆ un *trend* globale di crescita che supporta le attese di un aumento dei tassi d'interesse. Il ciclo completo di stretta da parte della Fed deve infatti essere prezzato e questo ci lascia **cauti sulla *duration* per il 2018**. Sono infatti previsti tre rialzi nel 2018 e un rialzo e mezzo nel 2019, come stimato nel grafico in basso a destra
- ◆ le guerre commerciali che alimentano preoccupazione per i dazi e le limitazioni agli scambi commerciali e per le ricadute tecnologiche su alcuni settori.



Source: Bloomberg Finance L.P., US Bureau of Labor Statistics, as of 31.03.2018. Note: US Nonfarm Business Sector Productivity Growth YoY (PRODNRBY Index). FOMC March 2018 Press Conference. Past performance is not a guide to current or future results.



Sources: Source: Bloomberg Finance L.P., UBP, as of 31.03.2018. Past performance is not a guide to current or future results.

Cosa offre il mercato agli investitori obbligazionari?

- ◆ Lo scenario economico appena descritto risulta favorevole per *risk assets* e *credit spreads*
- ◆ I rendimenti e il rapporto tra *spread* creditizi e rendimenti continua a essere poco attraente, soprattutto per gli investitori in EUR (grafico a dx)

- ◆ Le strategie ad alto rendimento possono essere:

- ◆ Global High Yield

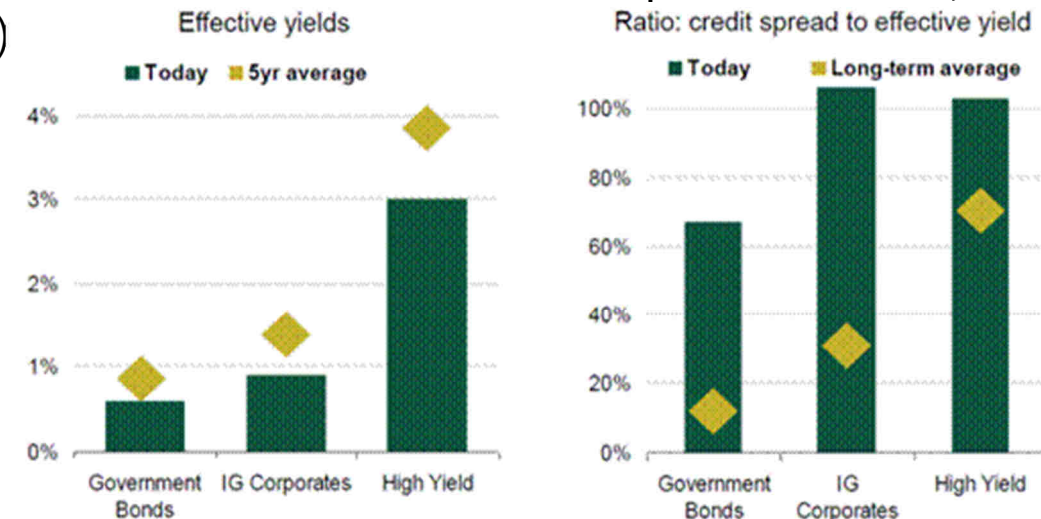
Punti di debolezza:

- ▶ Scarsa liquidabilità dei *cash*-bonds sottostanti
- ▶ Esposizione al rischio di tasso di interesse
- ▶ Valorizzazioni elevate (care) dei bonds tradizionali.

- ◆ Private Debt

Punti di debolezza:

- ▶ Illiquidità del sottostante
- ▶ Impegno a lungo termine nel prodotto (FIA chiuso), in media 7 anni
- ▶ Nel primo periodo di vita del prodotto e in quello di dismissione della strategia l'investimento non è a regime (in media, almeno 2 anni su 7), con impatto negativo sul rendimento effettivo.



Sources: UBP, Bloomberg Finance L.P. European Government Bonds are represented by ICE BofAML Euro Government Index (EG00), IG Corporates represented by ICE BofAML Euro Large Cap Corporate Index (EURL0), High Yield represented by ICE BofAML Euro High Yield Index (HE00) as of 31.03.2018

Quali le strategie da preferire per gli investitori obbligazionari?

Le strategie liquide ad alto rendimento, con un profilo di rischio più contenuto rispetto a quelle gestite tradizionalmente, possono essere:

◆ Global High Yield via indici di CDS

Perché:

- ▶ presenta un profilo di liquidabilità elevato
- ▶ presenta un premio per il rischio ben più interessante rispetto ai bonds tradizionali

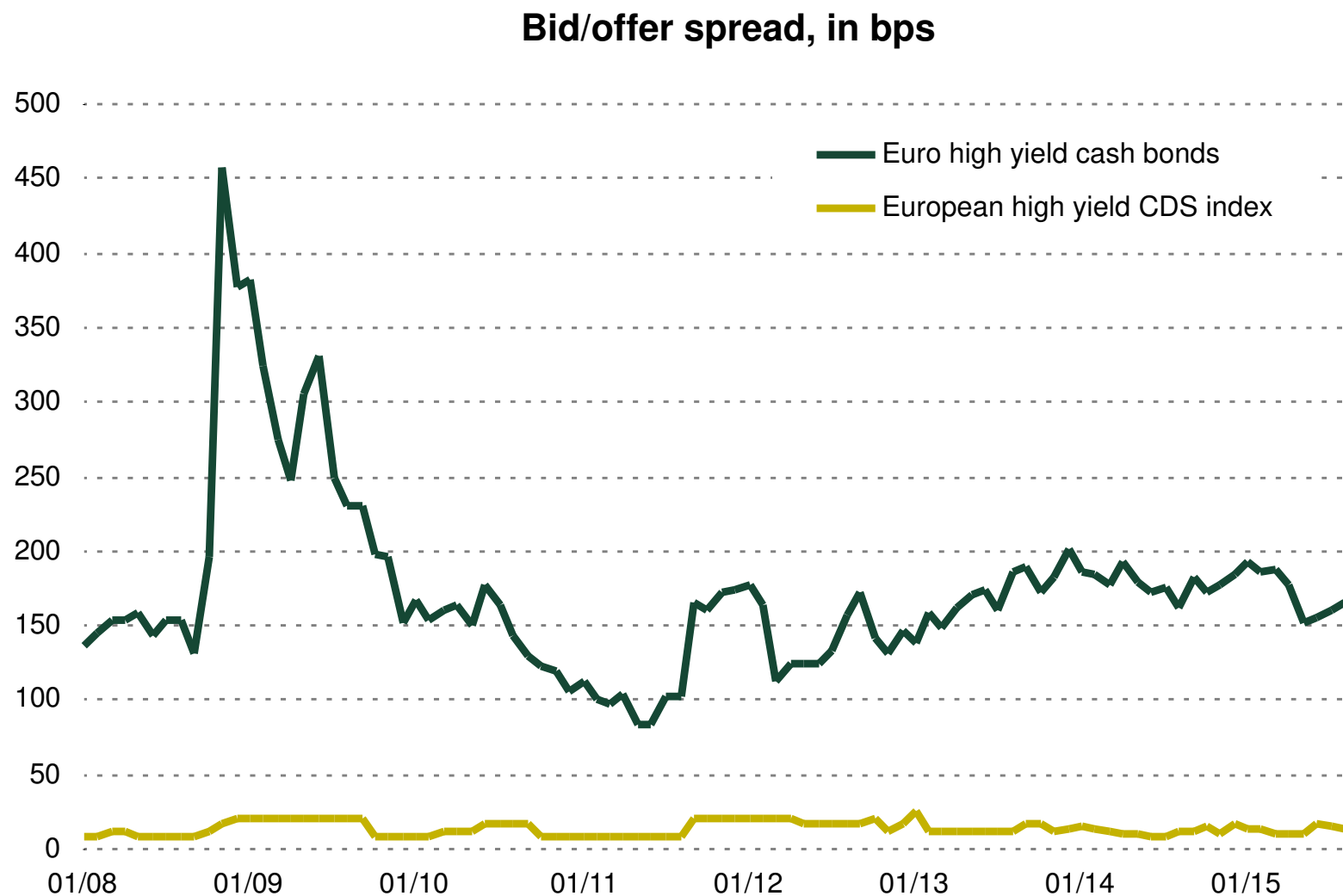
◆ Private Debt in condizioni di migliorata liquidità

Perché:

- ▶ fornisce agli investitori un'esposizione a segmenti di mercato unici -ovvero a società leader mondiali di dimensioni medie o a immobili reali (infrastrutture e immobili)- che non sono facilmente accessibili attraverso i mercati tradizionali a reddito fisso quotato → migliore **diversificazione del portafoglio**
- ▶ la maggior parte dei Private Debt sono strumenti a tasso variabile → una **protezione naturale contro l'aumento dei tassi di interesse**
- ▶ il portafoglio è sempre a regime
- ▶ supera il concetto *buy and hold* tipico

Vantaggio CDS #1: Esposizione liquida alla componente HY

Il *bid/offer spread* per i CDS è solo una frazione di quello associato ai bond tradizionali

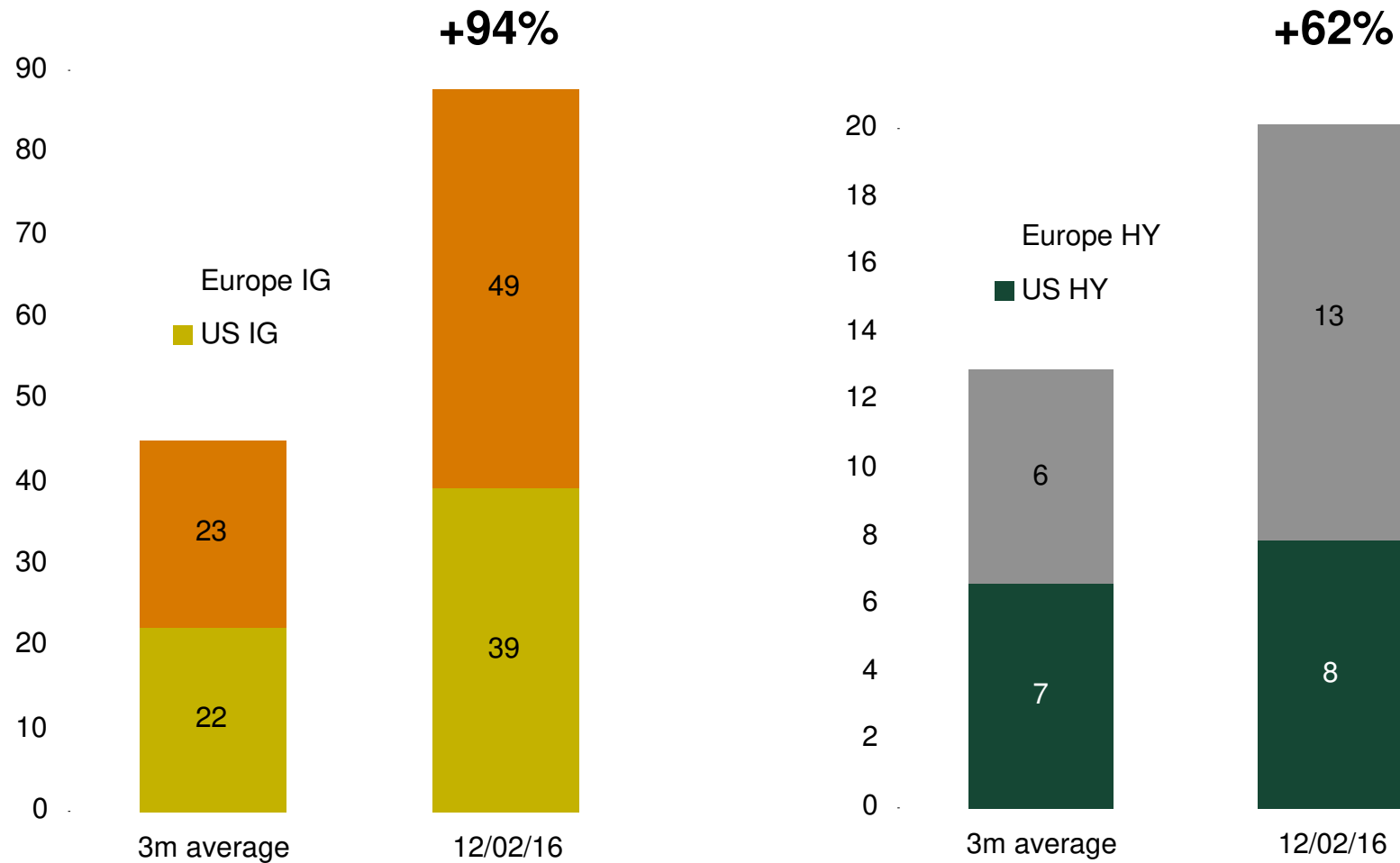


Source(s):UBP, JP Morgan, as of 21.09.2015.
Past performance is not an indicator of future results.

Vantaggio CDS #2: I volumi aumentano con l'avversione al rischio

Esempio febbraio 2016: greggio a 25\$, DB, NPL per le banche italiane

Volumi negoziati giornalmente (in mld. di USD) per gli indici di CDS (IG e HY)

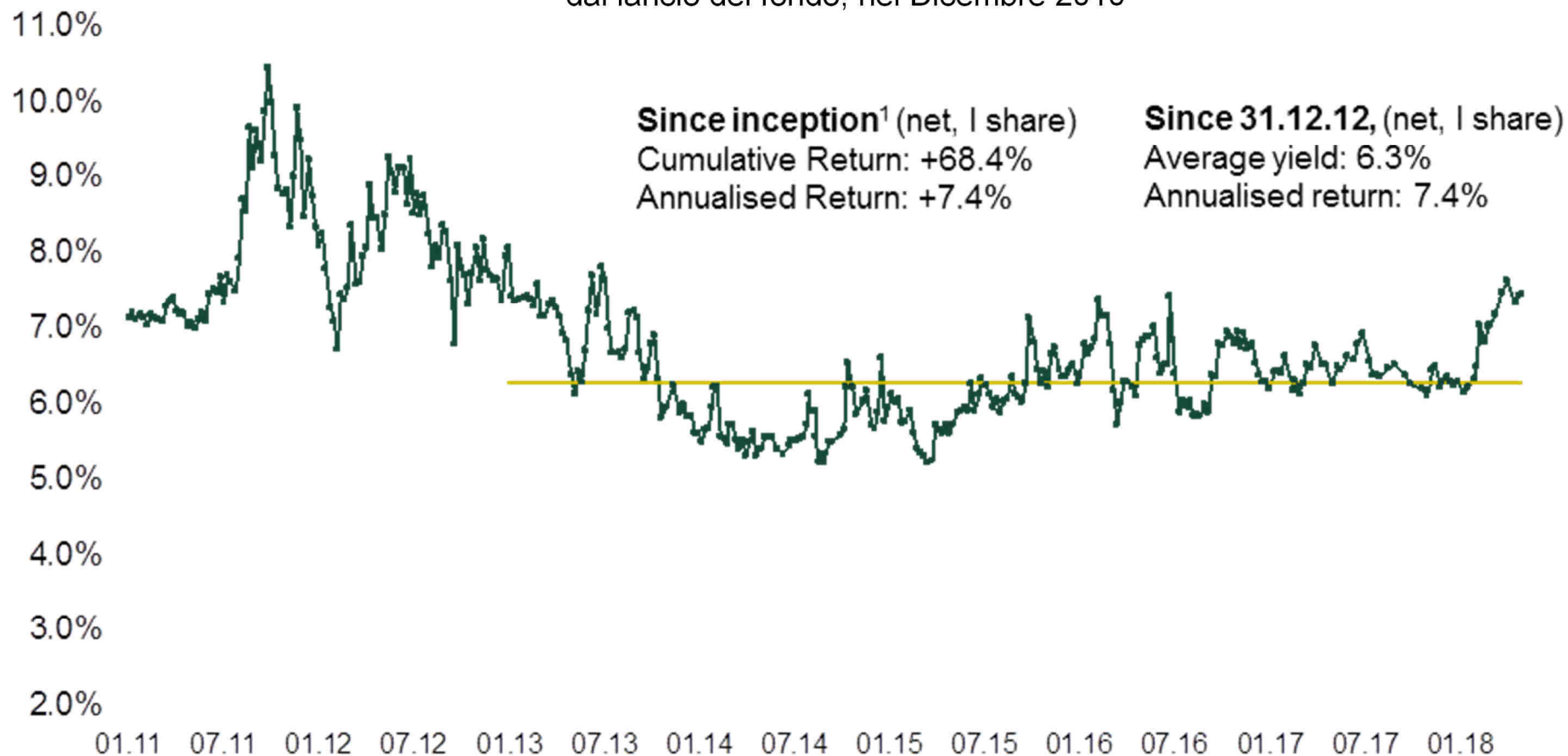


Source: UBP, JP Morgan, DTCC. Figures may not add up due to rounding

Vantaggio CDS #3: HY globale in indici di CDS, yield al 7.4%

In linea con gli ultimi 5 anni ma con un *interest rate risk* basso e alta liquidità

Yield-to-Worst in % di *UBAM - Global High Yield Solution*
dal lancio del fondo, nel Dicembre 2010



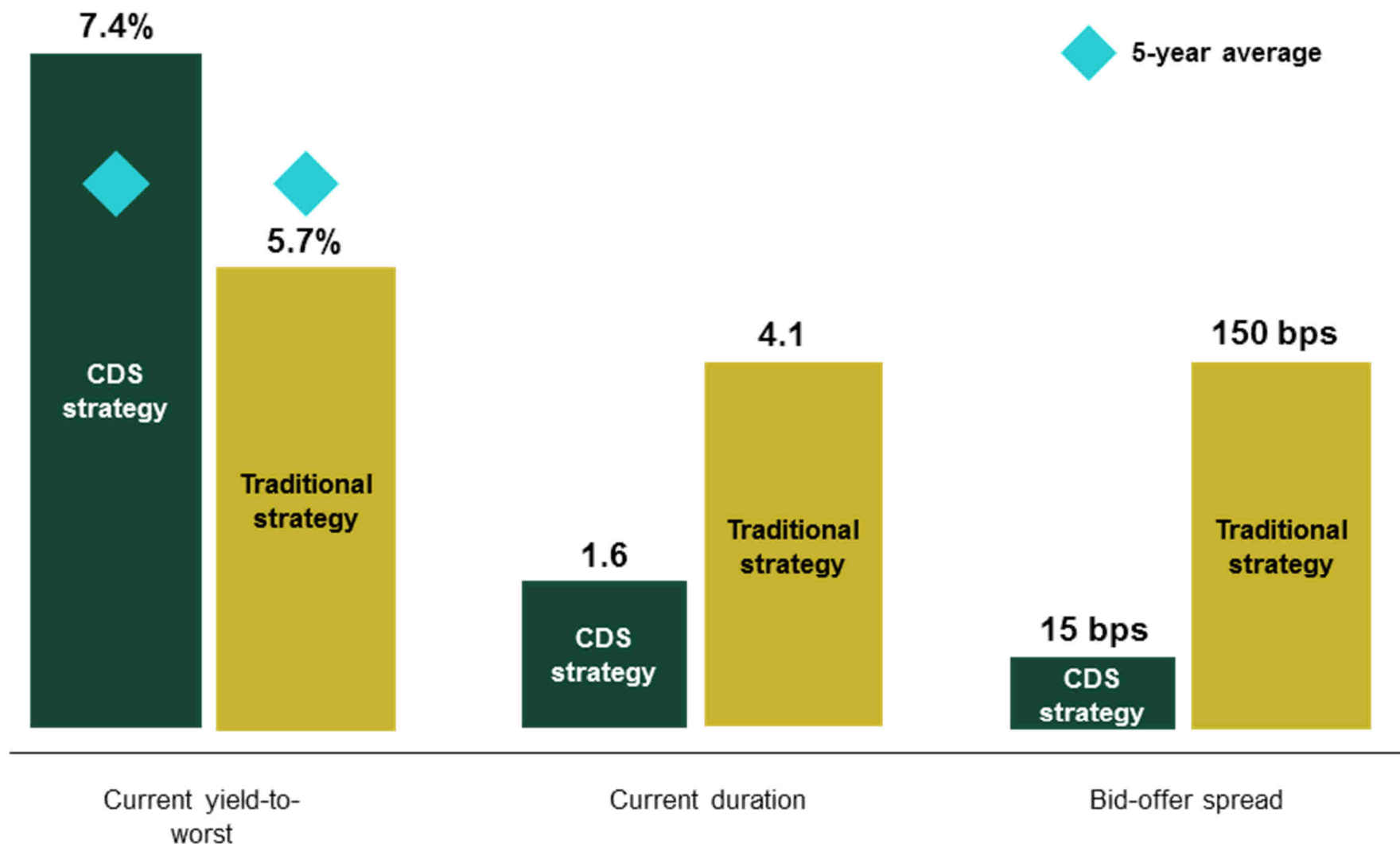
Source(s): Bloomberg Finance L.P., UBP, as of 30.04.2018

1) Inception on 3 December 2010.

Past performance is not a guide to current or future results. . Net performance of the I share class.

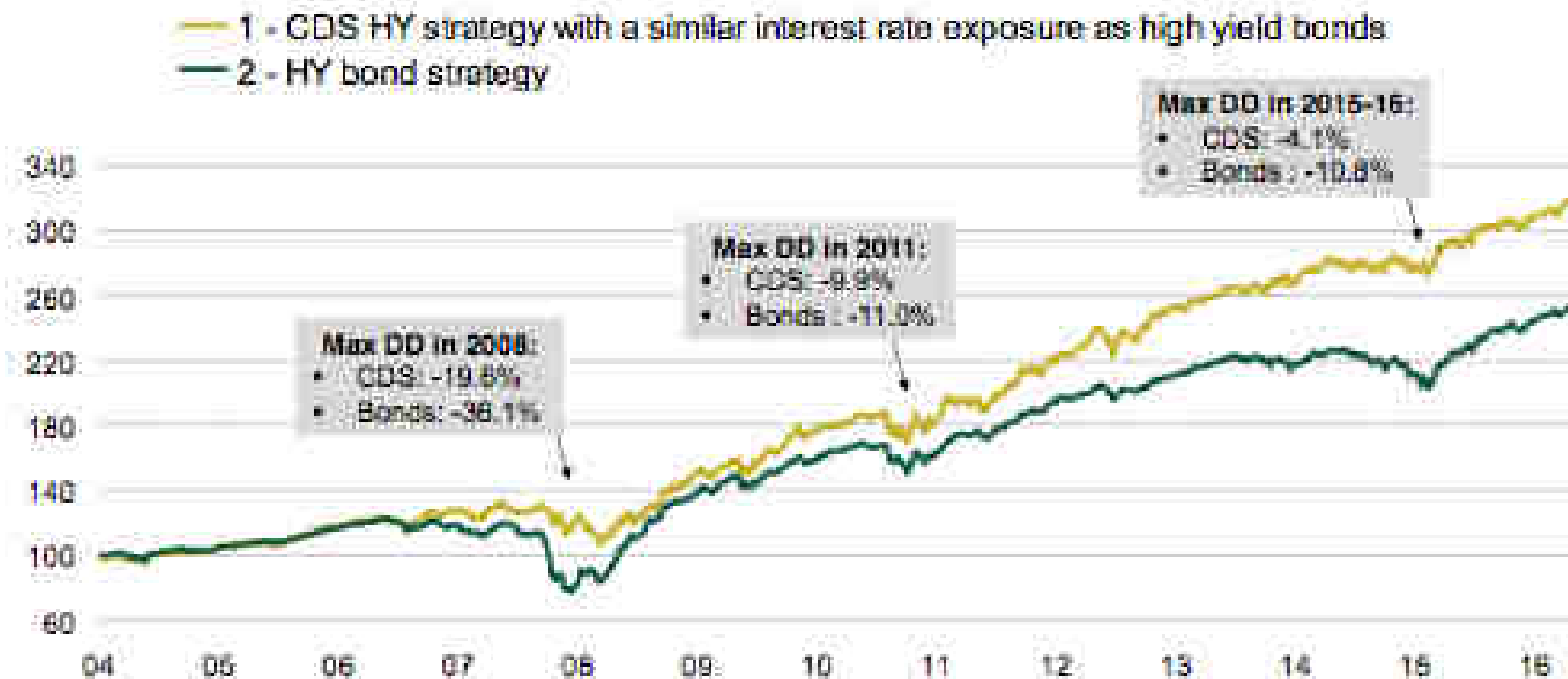
Vantaggio CDS #3: Yield più elevato, minor *duration* e miglior liquidità

Ne sono un esempio i parametri associabili al nostro *UBAM – Global High Yield Soution*



Source(s): Bloomberg Finance L.P., Merrill Lynch, UBP, as of 30.04.2018. CDS strategy: UBAM - Global High Yield Solution fund ; Traditional strategy: BofA ML Global High Yield Index.

Vantaggio CDS #4: migliore *performance* e *drawdown* più contenuti



Sources: UBP, Bloomberg, JP Morgan, as of 30.04.2017. 1 - CDS: 67% US CDX HY + 33% Europe iTraxx Crossover + BofA ML US Treasury 3-5 Years; with historical duration of 3.7 years. 2 - bonds: 67% US HY BofA ML + 33% EUR HY BofA ML USD hedged, with historical interest rate exposure of 3.9 years. Past performance is not an indicator of future results.

- ◆ **Outperformance** dei CDS HY vs. gli HY bonds tradizionali, con la medesima allocazione sottostante <67% US e 33% EU> del fondo "UBAM Global High Solution".
- ◆ **Drawdown più contenuti** nei periodi di crisi (2008, 2011 e 2015-2016), dal 2004 a oggi!

I vantaggi derivanti dall'utilizzo degli indici di CDS HY, in sintesi:

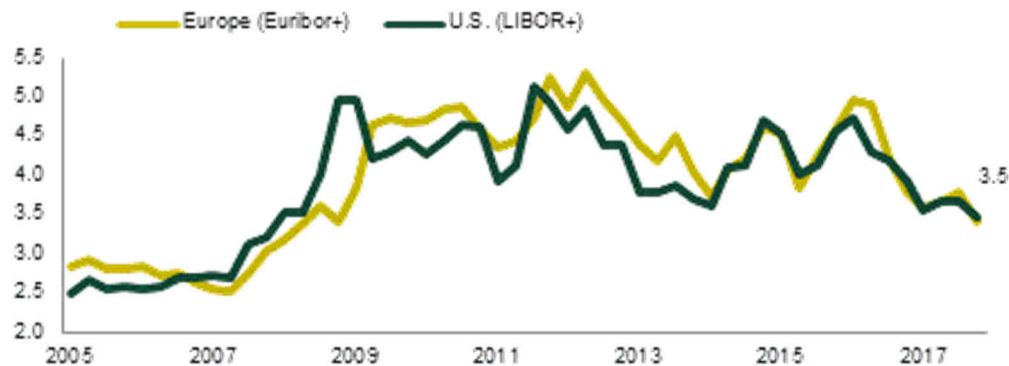
- ◆ Vantaggio strutturale nella **liquidabilità** in ogni condizione di mercato
- ◆ Valore aggiunto derivante da una gestione attiva non eroso dai costi di negoziazione.
- ◆ Esposizione del portafoglio alla componente *credit spread* High Yield a 5 anni estesa ogni 6 mesi a costi minimi (*rolling* degli indici).
- ◆ Gli indici di CDS non incorporano il rischio di un rimborso anticipato.
- ◆ Gli indici di CDS sono *cleared* e non comportano alcun rischio di controparte.
- ◆ Il *bid/offer* contenuto e la liquidità degli indici aumentano il rendimento atteso.
- ◆ L'esposizione al rischio tasso di interesse è più contenuto.
- ◆ *Short Duration* + *pick-up* di rendimento attualmente molto alto rispetto alle obbligazioni tradizionali (+1.5%) + effetto *roll-down* degli indici di CDS (+2% annuo) = **miglior Sharpe Ratio**;
- ◆ *Outperformance* degli indici di CDS, dal 2004 a oggi, accompagnata a **drawdown** storicamente **piu' contenuti**.

Il contesto di mercato del Private Debt

Interessante profilo rischio/rendimento dei *senior secured loans*

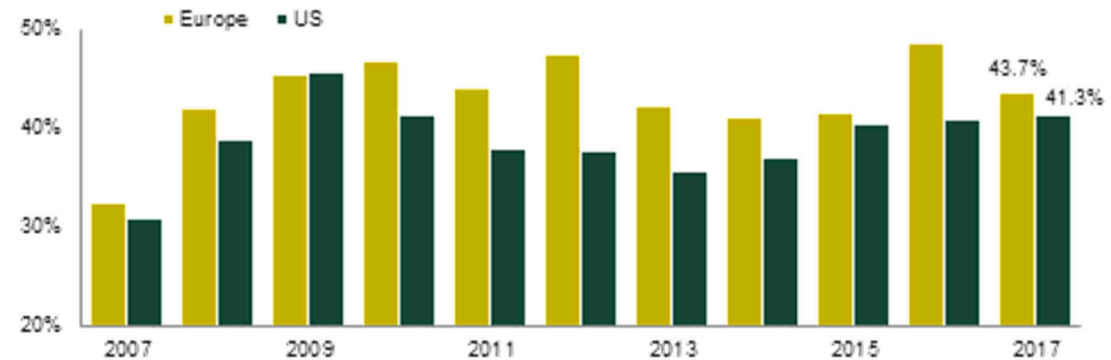
Livello degli *spread* del *senior debt* ben sopra i minimi

Average of new LBO loans, in % ¹



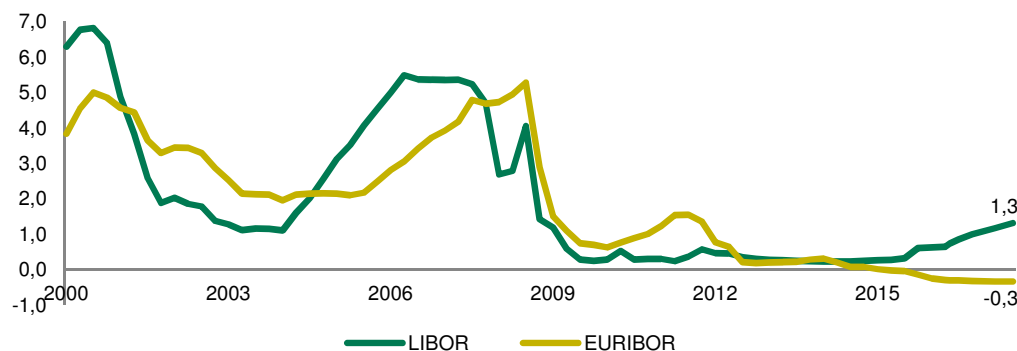
Oltre 40% di cuscino *equity*: struttura LBO più robusta vs minimi

Average equity contributions to LBOs ¹



Protezione naturale contro l'aumento dei tassi di interesse

3-months LIBOR & EURIBOR rates, in % ²



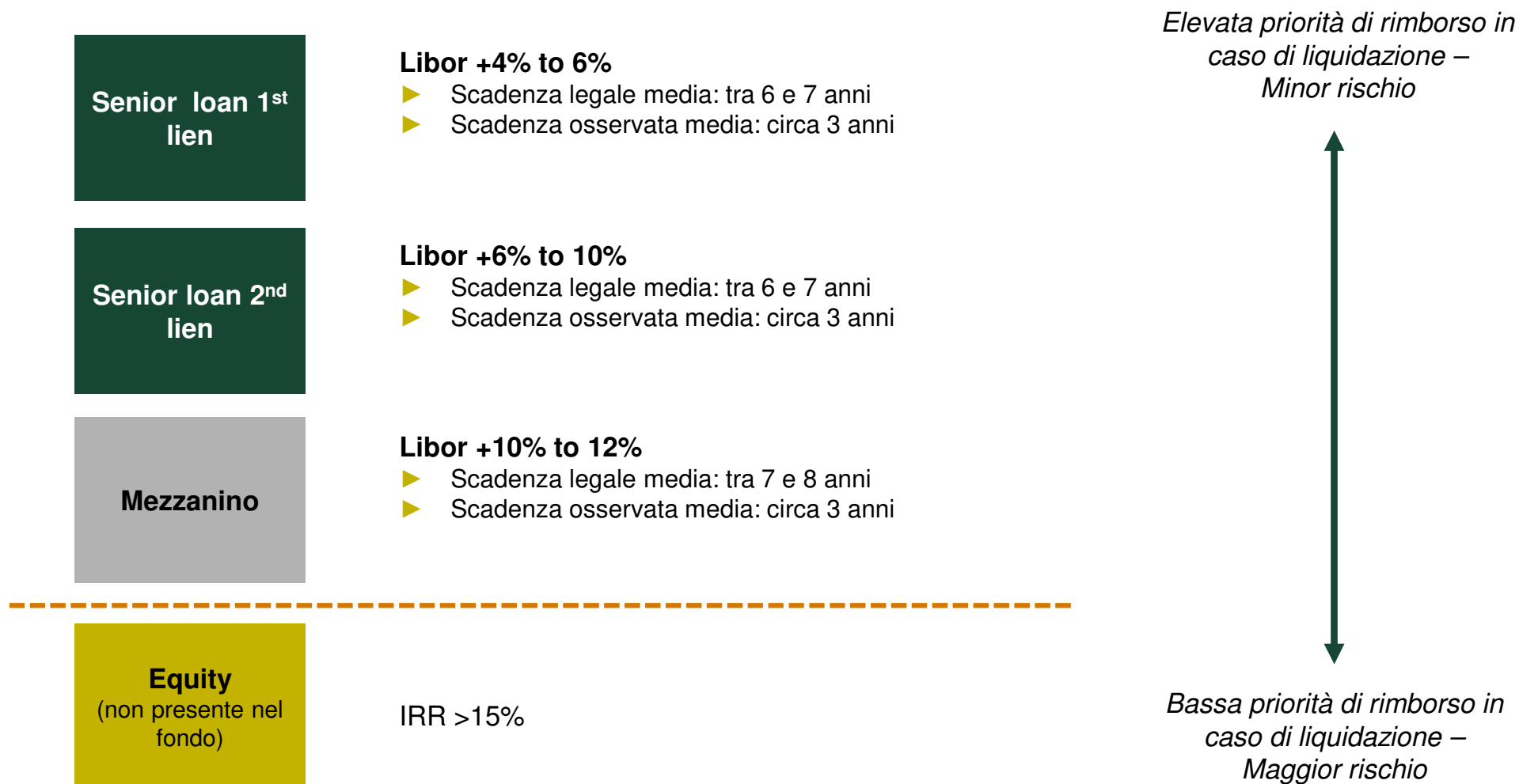
Miglioramento del profilo rischio/rendimento

- ▶ Protezione aggiuntiva con un margine del **20-25%** per **covenants**: indebitamento netto / EBITDA, EBITDA / interessi, *free cash flow* / *debt service*, investimenti, covenants tipici negativi
- ▶ Ritorno accresciuto da **accordo su fees/Original Issue Discounts (OID)** (standard di mercato: 0.5-3%)³ e su **call protection** occasionali, nonché su **Libor/Euribor floors**

Source: ¹ S&P LCD Global Review US/Europe as of Q4 2017. ² Bloomberg as of 31 December 2017. ³ The discount from par value at the time that a debt instrument is issued. It is the difference between the stated redemption price at maturity and the issue price.

Investire in Private Debt: Pagamento di cedole attraenti

Le cedole dipendono dalla natura e dai rischi associati al prestito



Source: UBP. **For illustrative purposes only**, any forecast projection or target is indicative only and is not guaranteed in any way. Specific transactions and debt may differ from the characteristics outlined above



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UBP PG - Active Income

Il concetto innovativo del Fondo



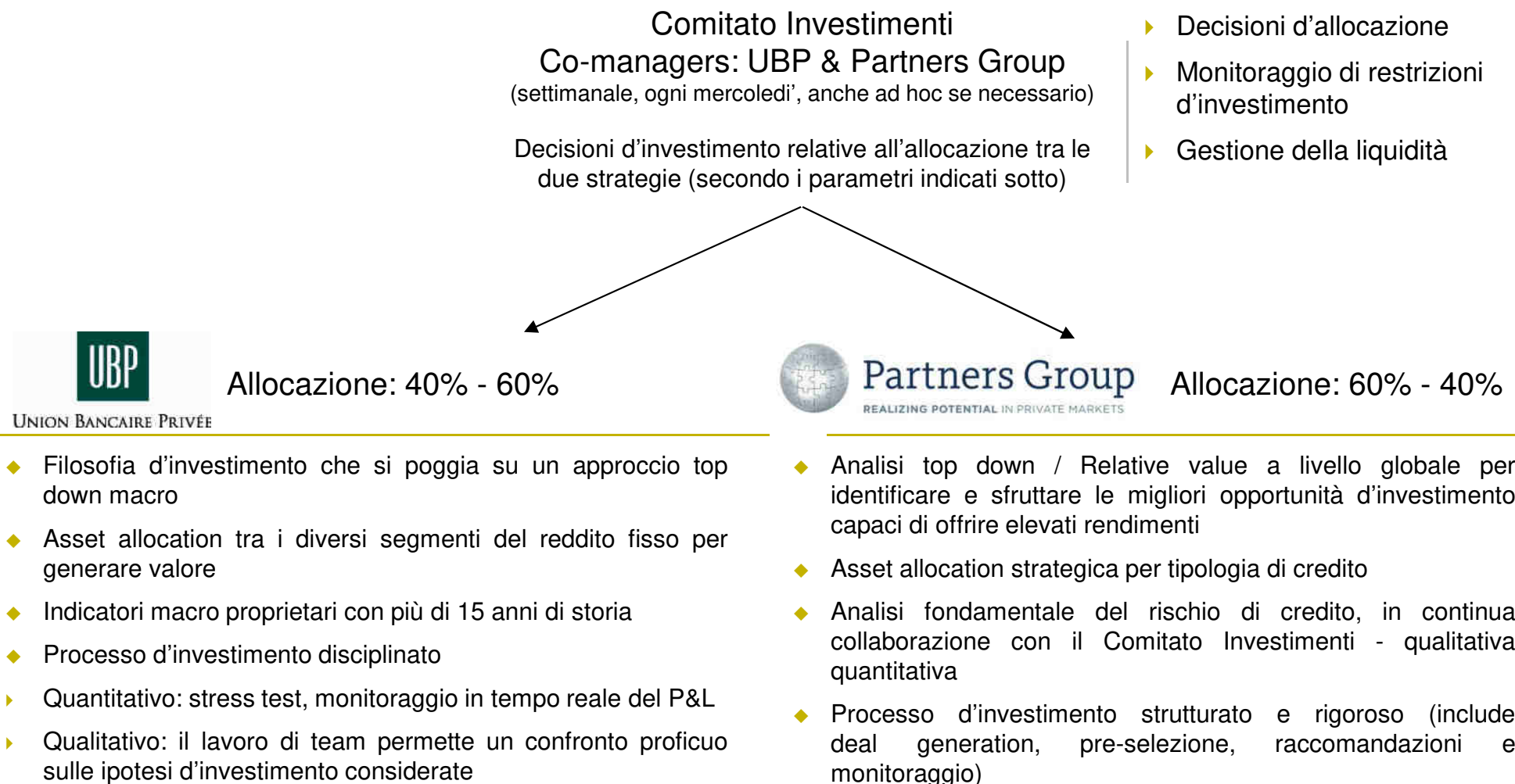
UNION BANCAIRE PRIVÉE

L'alternativa al *buy-and-hold* tipica degli investimenti sui mercati privati:

- ◆ UBP ha **rivoluzionato** il classico concetto *buy and hold* tipico del Private Debt facendo leva sulla liquidabilità offerta da strategie in debito quotato in ambito High Yield a livello globale.
- ◆ Ci è riuscita combinando due strategie:
 - ◆ l'allocazione in Private Debt gestito da Partners Group
 - ◆ L'allocazione in debito quotato a livello globale gestito dal team *Global & Absolute Return Fixed Income* di UBP

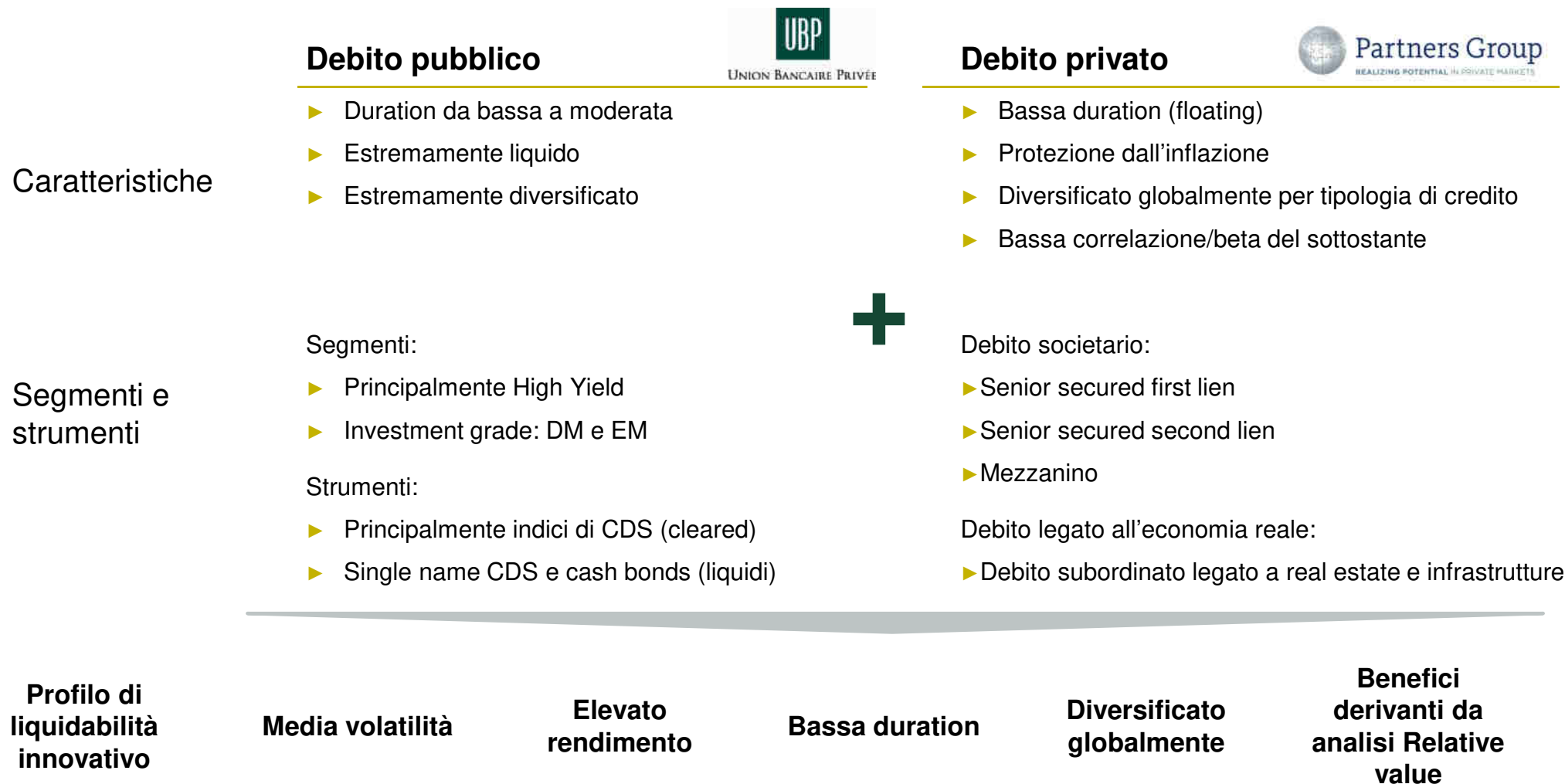
UBP PG - Active Income: Processo d'investimento

UBP e Partners Group gestiscono le due strategie autonomamente



UBP PG - Active Income

Debito privato con caratteristiche di liquidabilità innovative



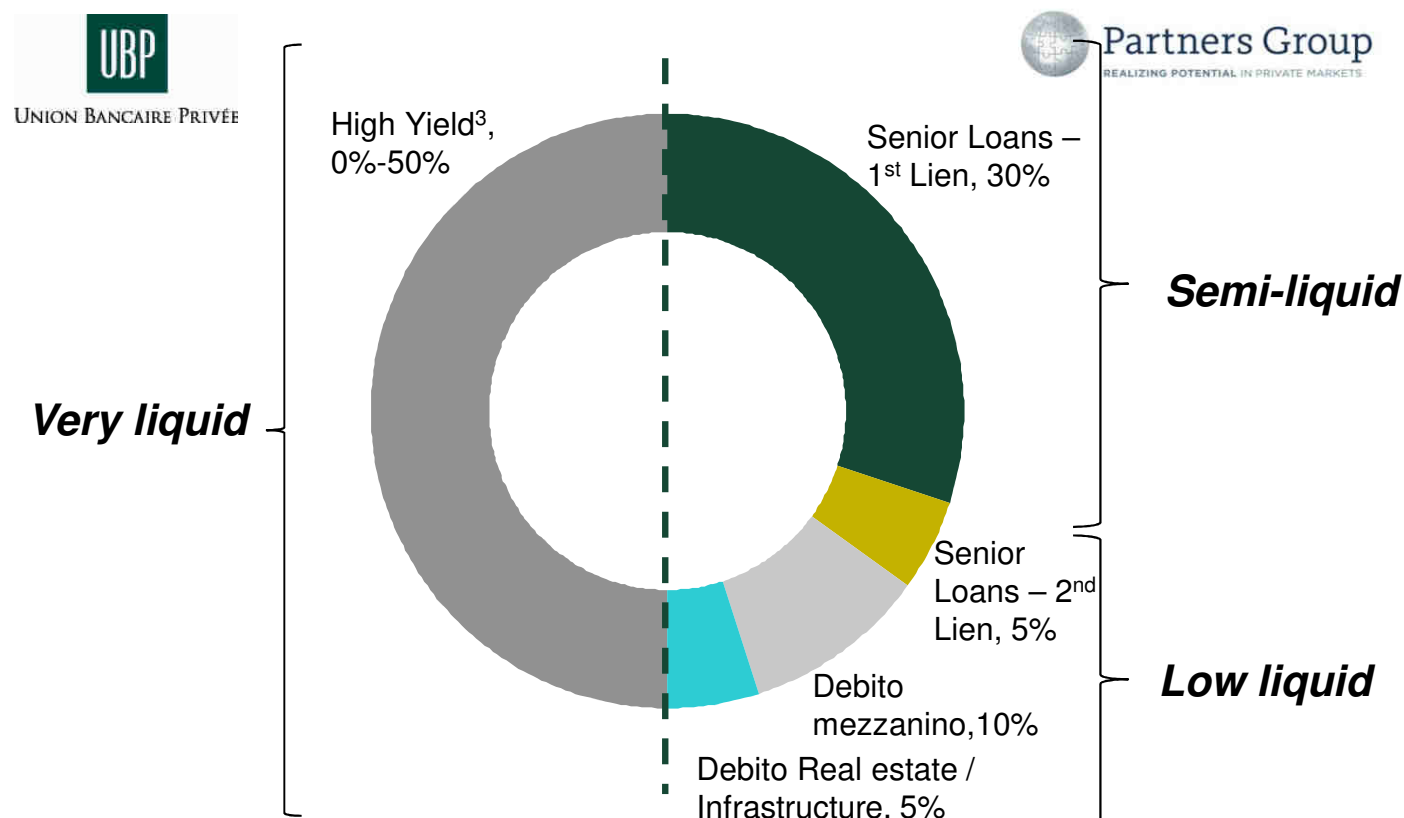
Caratteristiche di portafoglio – Allocation target e rendimenti attesi

Accesso a un portafoglio che **rende Libor +5-6% netto** e volatilità contenuta

Caratteristiche

- Struttura: Fondo di fondi
 - Master fund: UBP PG – Active Income
 - Feeder # 1: fondo dedicato di Private debt gestito da Partners Group
 - Feeder # 2: fondo dedicato di debito pubblico gestito da UBP
- NAV settimanale soggetto a *gates*:
 - 10% per settimana
 - 25% per 12 settimane cont. (eq. trimestre)
 - 50% per 52 settimane cont. (eq. anno)

Allocazione target¹ per un rendimento netto² di Libor +5-6%



Source: Partners Group, UBP. February 2018. **For illustrative purposes only.** Diversification does not ensure a profit or protect against loss. **1** For illustrative purposes. The actual allocation of the portfolio and its holdings may differ. Weekly NAV subject to a gating mechanism, 10% per week, 25% per 12 rolling weeks (eq. quarter), 50% per 52 rolling weeks (eq. year). Portfolio structure: Fund of funds with as the master fund: UBP PG - Active Income, Feeder # 1: dedicated private debt fund managed by Partners Group and Feeder # 2: dedicated public debt fund managed by UBP. **2** There is no assurance that target net return can be achieved. Please refer to terms and conditions for the management fee structure. **3** Public debt may be composed of High Yield or Investment Grade credit.

UBP PG – Active Income: Fund snapshot

Caratteristiche del portafoglio e posizionamento, al 22.03.2018

Size 362 Mln USD

Portfolio allocation

- ◆ Portafoglio Private debt: 53.3% globale
- ◆ Portafoglio Public debt: 46.7% globale

Private Debt portfolio

◆ 1st lien (62,4%), 2nd lien (21,4%) e Mezzanino (8,0%)

Public Debt portfolio

◆ US high yield CDS index: 100%

Yield Rendimento complessivo: ~7,3% (7.8% excluding cash to be deployed on Private Debt).

Interest rate exposure 0,7 anni

Focus sul portafoglio di Private Debt, al 22.03.2018:

Currency breakdown

	Weight
EUR	18.9%
GBP	20.4%
USD	60.7%
Total	100.0%

Regional breakdown

	Weight
Asia	0.6%
Europe	52.7%
North America	46.6%
Total	100.0%

Rating breakdown

	Weight
BB	4.7%
B	46.2%
Not rated	49.1%
Total	100%

UBP PG – Active Income: I vantaggi del Fondo (1/2)

In sintesi

- ◆ **FIA aperto** che fornisce l'accesso al mercato del **Private Debt** in un **contesto innovativo di liquidabilità**. Tale fondo alternativo è una Sicav Lussemburghese AIMFD *compliant* (UCI) con **NAV settimanale**
- ◆ **Non sono presenti vincoli temporali nel dover rimanere investiti nella strategia.**
- ◆ **Fondo alternativo obbligazionario di Private Debt**, ulteriormente **diversificato attraverso un'esposizione altamente liquida alla componente High Yield globale**, caratterizzato da volatilità media (4-6%), rendimento elevato (**Libor + 5-6% netto**, attualmente pari a **7.3% lordo**), *duration* estremamente contenuta (attualmente pari a **0.7 anni**)
- ◆ Il *commitment* deliberato risulta **subito tutto investito, eliminando il problema della giacenza in liquidità** del *commitment* non richiamato
- ◆ Il fondo **matura un rendimento da subito** (non solo con i dividendi), dal momento in cui si perfeziona l'acquisto, al pari di un comune fondo aperto

UBP PG – Active Income: I vantaggi del Fondo (2/2)

In sintesi

- ◆ Possibilità di mantenere l'incidenza percentuale dell'asset class in linea con l'Asset Allocation Strategica stabilita in fase iniziale senza dover fare una nuova selezione, così come anche di variarne l'entità nel tempo, con un certo grado di libertà
- ◆ Semplificazione amministrativa e operativa, legata per esempio ai richiami del *commitment* deliberato
- ◆ Risparmio economico relativo all'attività di Advisory di cui generalmente l'investitore istituzionale si avvale per l'investimento diretto, in primis quella legale
- ◆ Possibilità di diversificare al meglio il portafoglio obbligazionario anche qualora le masse da dedicare all'investimento non fossero particolarmente consistenti.



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Appendici



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UBP PG - Active Income: Il concetto innovativo del fondo

Accesso al mercato del debito non quotato globale in condizioni di migliorata liquidabilità

Obiettivo d'investimento	Offrire accesso al mercato del debito non quotato, ovvero <i>Senior and junior tranches</i> , in condizioni di: ◆ Elevato rendimento ◆ Migliorata liquidabilità ◆ Bassa esposizione ai tassi d'interesse, sotto ai 2 anni
Esposizione globale	Allocazione regionale sui mercati globali: ◆ Principalmente US ed Europa ◆ Nessuna esposizione ai mercati emergenti (per la parte di Private Debt)
Liquidabilità	Gestione del profilo di liquidabilità tramite: ◆ Allocazione a debito pubblico estremamente liquido: 50%, +/-10% ◆ Gestione attiva dell'allocatione tra debito pubblico e quello privato ◆ NAV settimanale¹
Co-management della strategia	◆ Partners Group per l'allocazione in Private Debt ◆ UBP - Global & Absolute Return Fixed Income per quella in debito pubblico
Diversificato	◆ Tra le 30 e le 40 società nell'allocazione sul Private Debt ◆ 100 società nell'allocazione sul public debt²
Esposizione ai tassi	Inferiore a 2 anni
Volatilità	4-6%

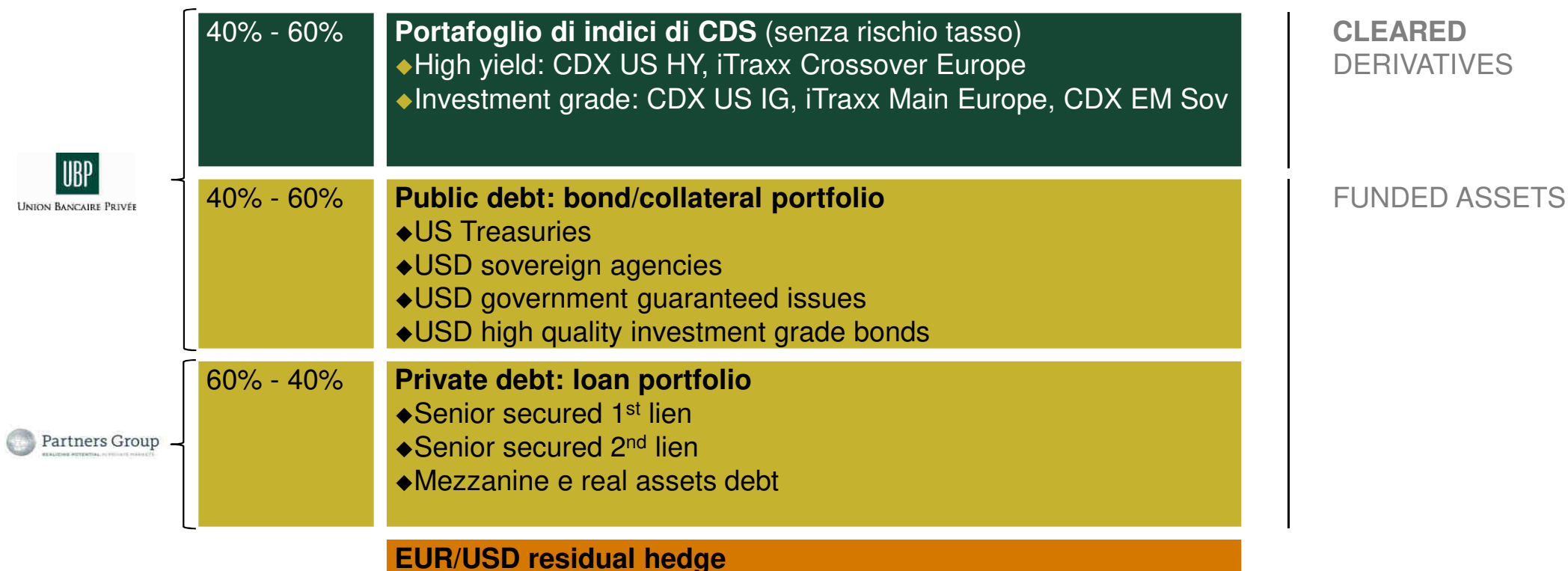
Source: Partners Group, UBP. **For illustrative purposes only.** Diversification does not ensure a profit or protect against loss.

¹ Subject to a gating mechanism

² For illustrative purposes. The actual allocation of the portfolio and its holdings may differ.

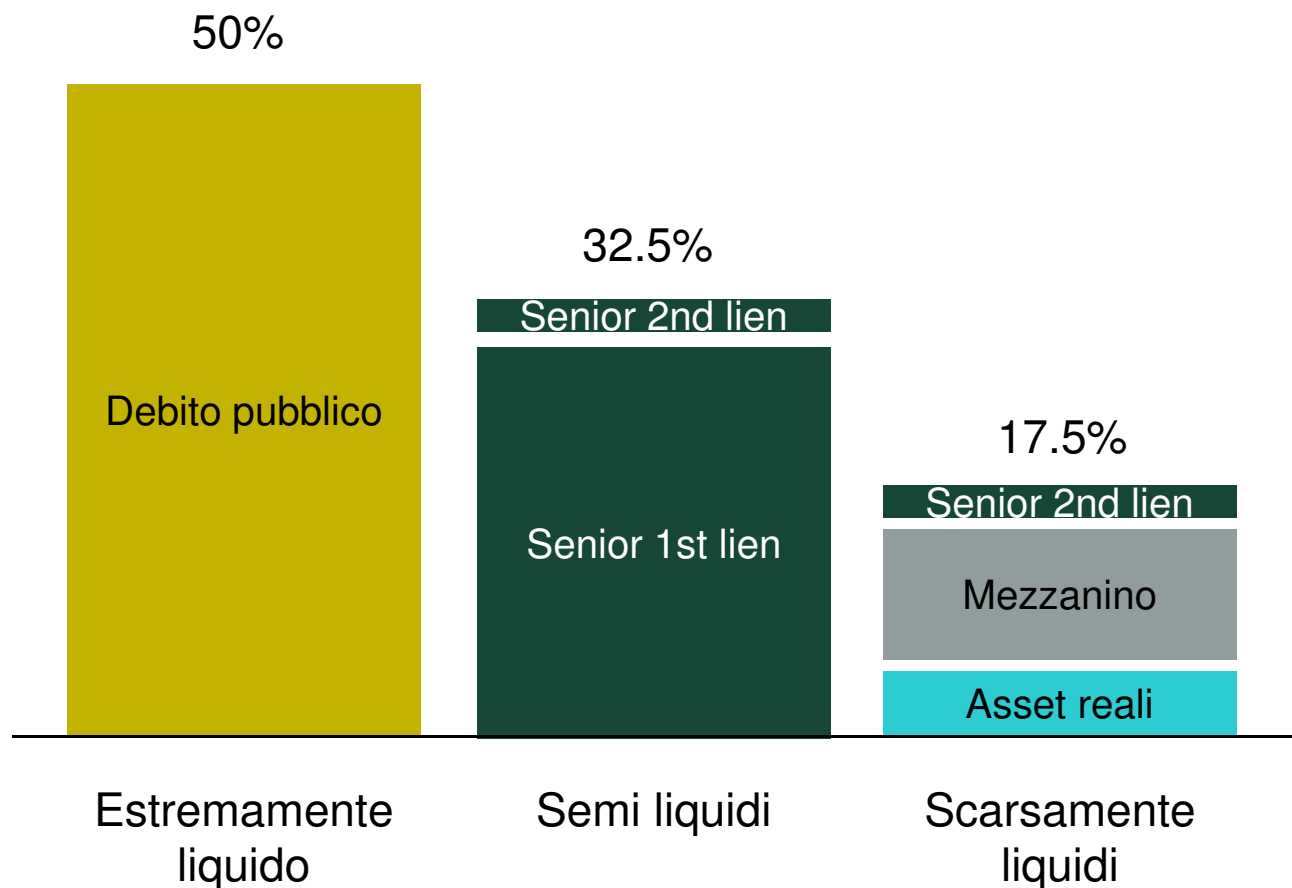
Costruzione del portafoglio nel dettaglio

Tutti gli indici di CDS sono *cleared*: Nessun rischio di controparte



UBP PG – Active Income: Il debito quotato migliora la liquidabilità

Da una liquidabilità trimestrale per la parte Private Debt a una settimanale per il comparto



UBP PG – Active Income: Fund snapshot

Focus sul portafoglio di Private Debt, esposizione geografica e settoriale al 25.01.2018

	Financial	Consumer Discretionary	Consumer Staples	Health Care	Information Technology	Industrials	Basic Materials	Telecommunication services	Energy	Utilities	Total private debt allocation
First Lien	4.4%	18.2%	7.7%	16.8%	22.1%	0.8%	1.2%	0.3%	0.1%	0.0%	71.7%
Europe	4.0%	15.9%	7.6%	10.4%	11.5%	0.7%	0.3%	0.2%	0.0%	0.0%	50.6%
North America	0.3%	2.3%	0.1%	6.4%	10.6%	0.1%	0.9%	0.1%	0.1%	0.0%	21.0%
Asia	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Second Lien	0.0%	5.4%	0.0%	9.0%	3.2%	1.6%	0.5%	0.0%	0.0%	0.0%	19.7%
Europe	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
North America	0.0%	5.4%	0.0%	9.0%	3.2%	1.6%	0.5%	0.0%	0.0%	0.0%	19.7%
Mezzanine & Equity related	4.2%	1.0%	2.9%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.6%
Asia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Europe	3.5%	0.0%	2.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.4%
North America	0.0%	1.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%
Australia	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%
Total excluding Cash	8.6%	24.6%	10.6%	26.4%	25.2%	2.4%	1.8%	0.3%	0.1%	0.0%	100.0%

Esempio di transazione: Mec3 (1/2)

Niche business

Produttore mondiale di ingredienti per gelati artigianali ("gelato")



Esempio di transazione: Mec3 (2/2)

Niche business

Descrizione e motivazione dell'investimento

Description	Produttore italiano di ingredienti di gelato che servono più di 27.000 rivenditori di gelati in 140 paesi.
Geography	Global
EBITDA	c. EUR 32m
Closing	January 2017

Tesi di investimento

- ◆ Forte posizionamento di mercato.
- ◆ EBITDA margin superiore alla media del settore.
- ◆ Forti dati finanziari storici e sviluppo del business resistente.
- ◆ Tendenze di fondo del mercato positiva.
- ◆ Business diversificato attraverso prodotti, marchi e aree geografiche.

Elementi chiave da accertare

- ◆ Esposizione alle fluttuazioni dei prezzi delle materie prime.
- ◆ Stagionalità e rischio metereologico.
- ◆ Sostenibilità del EBITDA margin e potenziale aumento della pressione concorrenziale.
- ◆ Sicurezza della produzione.

Struttura del Capitale

Net senior debt / EBITDA multiple	5.5x
Net total debt / EBITDA multiple	5.5x
First Lien	EUR 185 m
Equity cushion	> 50%

Termini e Condizioni

Pricing

- ◆ First lien: E(0.00% floor) + 4.75%

Target gross IRR

- ◆ 5.0%¹

Fees / OID

- ◆ 1% OID

Covenants

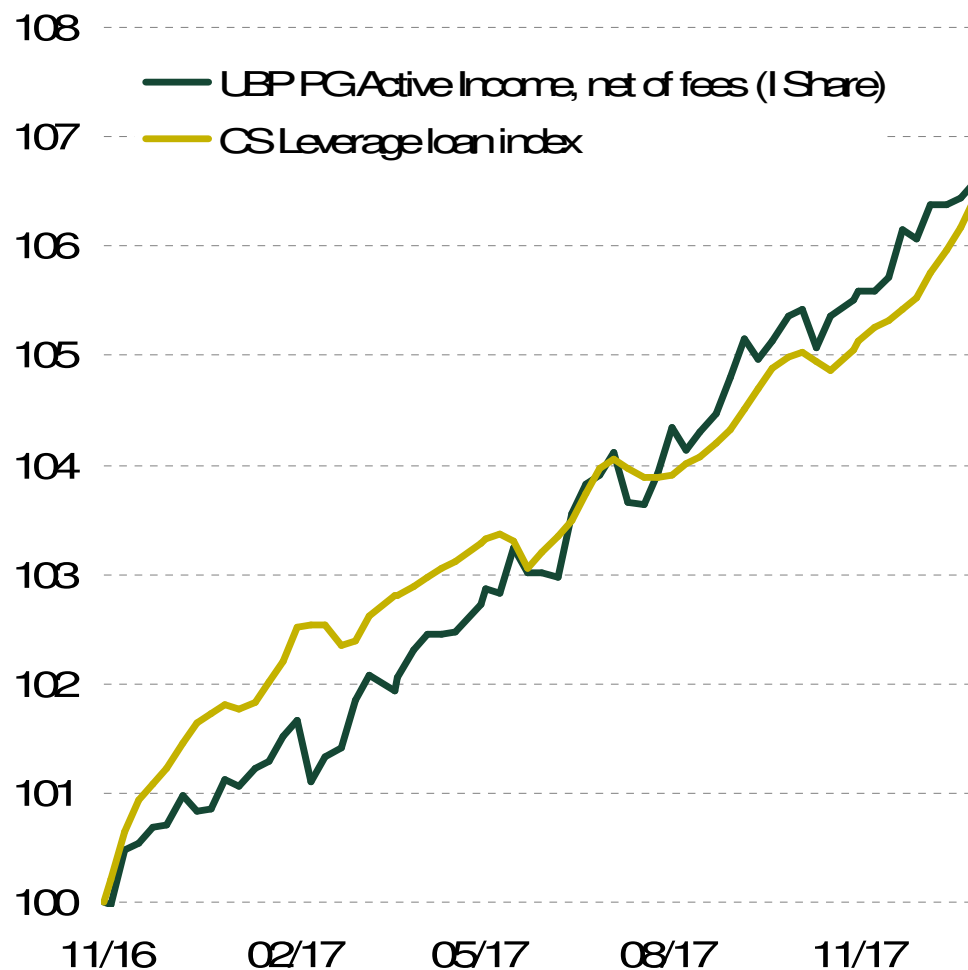
- ◆ Leverage ratio

Past performance is not indicative of future results. For illustrative purposes only. There is no assurance that target returns will be achieved or that similar investment will be made. ¹ Net of underlying fees, gross of Partners Group fees. Sources: Partners Group, Mec3 is part of the initial UBP PG Active Income portfolio

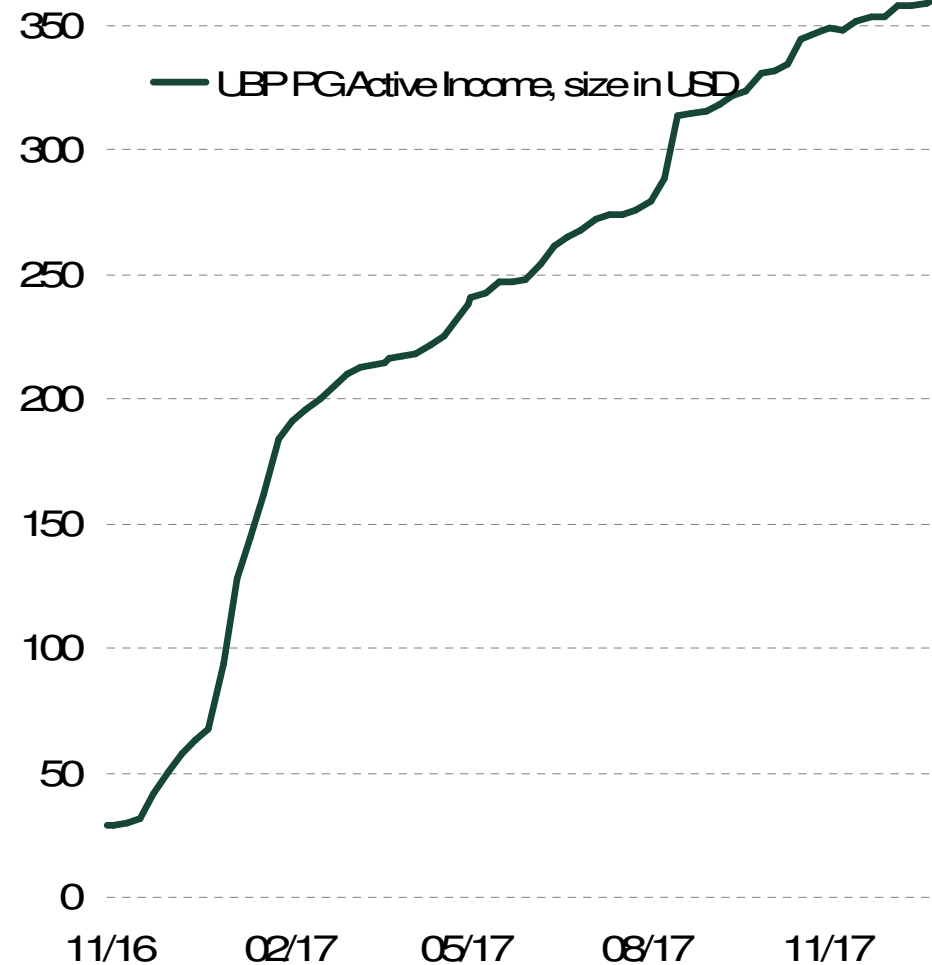
Track-record of *UBP PG - Active Income*

Prestazioni robuste nonostante l'accelerazione

Total return



Size



Source(s):UBP, as of 31.01.2018

Termini & Condizioni

UBP PG - Active Income

FUND NAME	UBP PG
LEGAL FORM	Luxembourg SICAV, UCI (under Part II of the 2010 Law / AIF under the AIFMD)
FUND/SUB-FUND CURRENCY	USD
HEDGED SHARE CLASSES	EUR (H)
BID/OFFER PRICE	NAV
CUT-OFF TIME	13:00 (CET) on T-day -1
INCEPTION	28.11.2016
MINIMUM INVESTMENT	None
SUB./REDEMPTION	Weekly with 1 day notice, subject to gating ▪ 50% per 52 settimane rolling (ovvero in un anno) ▪ 25% per 12 settimane rolling (ovvero in un trimestre) ▪ 10% per settimana
MANAGEMENT FEE	I: 0.75%
PERFORMANCE FEE	10% above Federal Fund Effective Rate (synthetic) with high water mark
ISIN	ICP USD: LU1515367602 ICP EUR: LU1515367784 ICP EUR Hedged: LU1515367867 IDP EUR Hedged: LU1515368675
BLOOMBERG	ICP EUR Hedged (a capitalizzazione): UBIPHEC LX IDP EUR Hedged (a distribuzione): UBIPHED LX
ASSET MANAGEMENT COMPANY	UBP Asset Management (Europe) S.A
CO-INVESTMENT MANAGERS	Union Bancaire Privée, UBP SA and Partners Group AG
CUSTODIAN	BNP Paribas Securities Services Luxembourg Branch
ADMINISTRATOR	CACEIS BANK. Luxembourg

UBP PG - Active Income: valutazione settimanale (1/2)

Notice & Cut-off (Luxembourg time)	NAV Date (D)	Calculation Date	Settlement for subscription and redemption (at the latest)
One Business Day before the NAV Date 1 pm (D-1)	Each Thursday. If Thursday is not a Business Day, the next Business Day (D)	D+3 Business Days	D+5 Business Days
<i>Wednesday</i>	<i>Thursday</i>	<i>Next Tuesday</i>	<i>Next Thursday</i>

A 'Business Day' in this context is any full bank business day in Luxembourg, London and New York.

UBP PG - Active Income: valutazione settimanale (2/2)

- ◆ **60%-65% del portafoglio può essere valutato efficacemente con quotazioni giornaliere:**
 - ▶ 50%: Public Debt
 - ▶ 10%-15%: Private Debt – Senior loan 1st lien

- ◆ **35%-40% del portafoglio senza prezzi giornalieri – solo Private Debt:**
 - ▶ Weekly adjustments: interest rates and currencies
 - ▶ Monthly review and potential adjustments (monthly financial reports sent by companies)
 - ▶ Quarterly valuation of the private debt portfolio: mark-to-model (model audited every year)

- ◆ **Cosa attendersi da un evento idiosincratco nel corso del mese?**
 - ▶ A default would be discounted in the NAV
 - ▶ Swing prices can be implemented to adjust weekly NAV
 - ▶ Adverse scenario: 50% write-down on one loan not reflected in the NAV and a 10% redemption: -8 bps impact¹

Liquidity - Gating mechanism: Overview and illustration

10% per settimana, 25% per 12 settimane *rolling* (trimestrale), 50% per 52 settimane *rolling* (annuale)

Gating mechanism: Overview

- ▶ Gating at the fund level with netting of subscriptions / redemptions
- ▶ Quarterly and yearly gates only: partial netting, e.g.
 - +40m in and -50 out $\Rightarrow$ netting = -10m
 - +50m in and -40 out $\Rightarrow$ netting = 0
- ▶ Gated investors get priority for the next NAV (subject to gating)

Gating mechanism: Illustration¹

- ▶ Fund size of \$200m with a redemption of 15%, i.e. -\$30m
- ▶ Week #1: Liquidation for \$20m (10%) and gating for \$10m (5%) $\Rightarrow$ Size of the fund is now \$180m
- ▶ Week # 2: Liquidation for the remaining \$10m and up to \$8m additional net redemptions $(\$180m) \times 10\%$

Source: UBP. For illustrative purposes only, ¹ This illustration does not cover all gating scenarios and assumes that there were no redemptions or subscriptions in the prior 52 weeks



THE DRIVE YOU DEMAND

UBP – Solidità finanziaria e innovazione costante



UNION BANCAIRE PRIVÉE

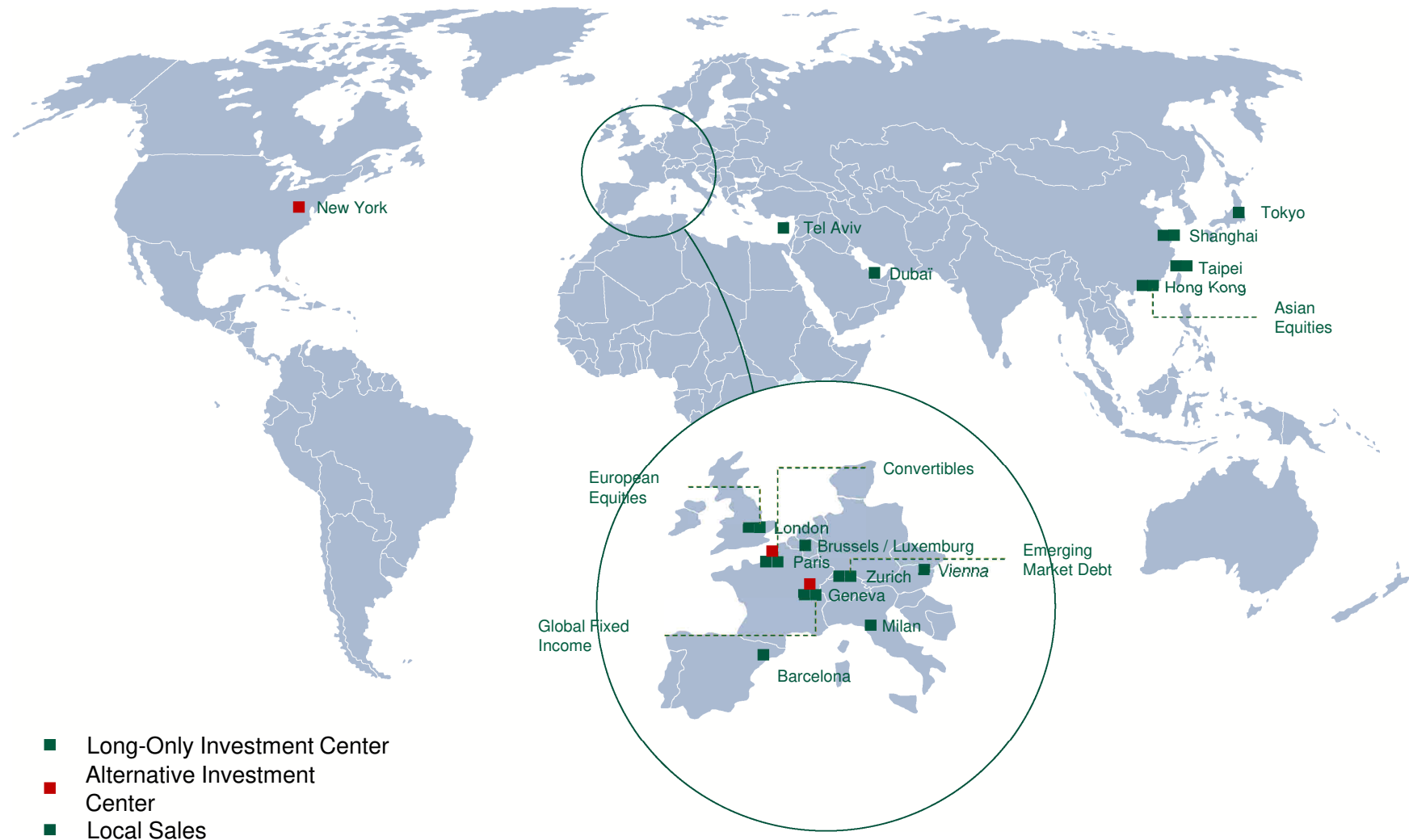
UBP Asset Management

Soluzioni su misura per un mercato in evoluzione costante

- ◆ **UPB Asset Management** è presente nei principali centri finanziari internazionali
- ◆ Offriamo soluzioni d'investimento:
 - **rigorosamente attive**
 - in ambito **long only** e **alternativo**
- ◆ Esperienza di lunga data nella gestione di strategie che includono **Absolute Return Fixed Income, Emerging Markets, Convertibles** ed **Equity specializzato**
- ◆ Ricorso alla **gestione in delega** per alcune asset classes (US Large e Small Cap, Japan All cap e thematic)
- ◆ **Partnership strategiche** per la creazione di prodotti innovativi (Partners Group)

UBP Asset Management

Una presenza internazionale



Facendo leva sul fondo *UBAM - Global High Yield Solution*

Una strategia vincente e premiata



2016
THOMSON REUTERS
LIPPER FUND AWARDS

MORNINGSTAR®

UBAM - Global High Yield Solution I | ★★★★★



THOMSON REUTERS
LIPPER FUND AWARDS 2015
EUROPE



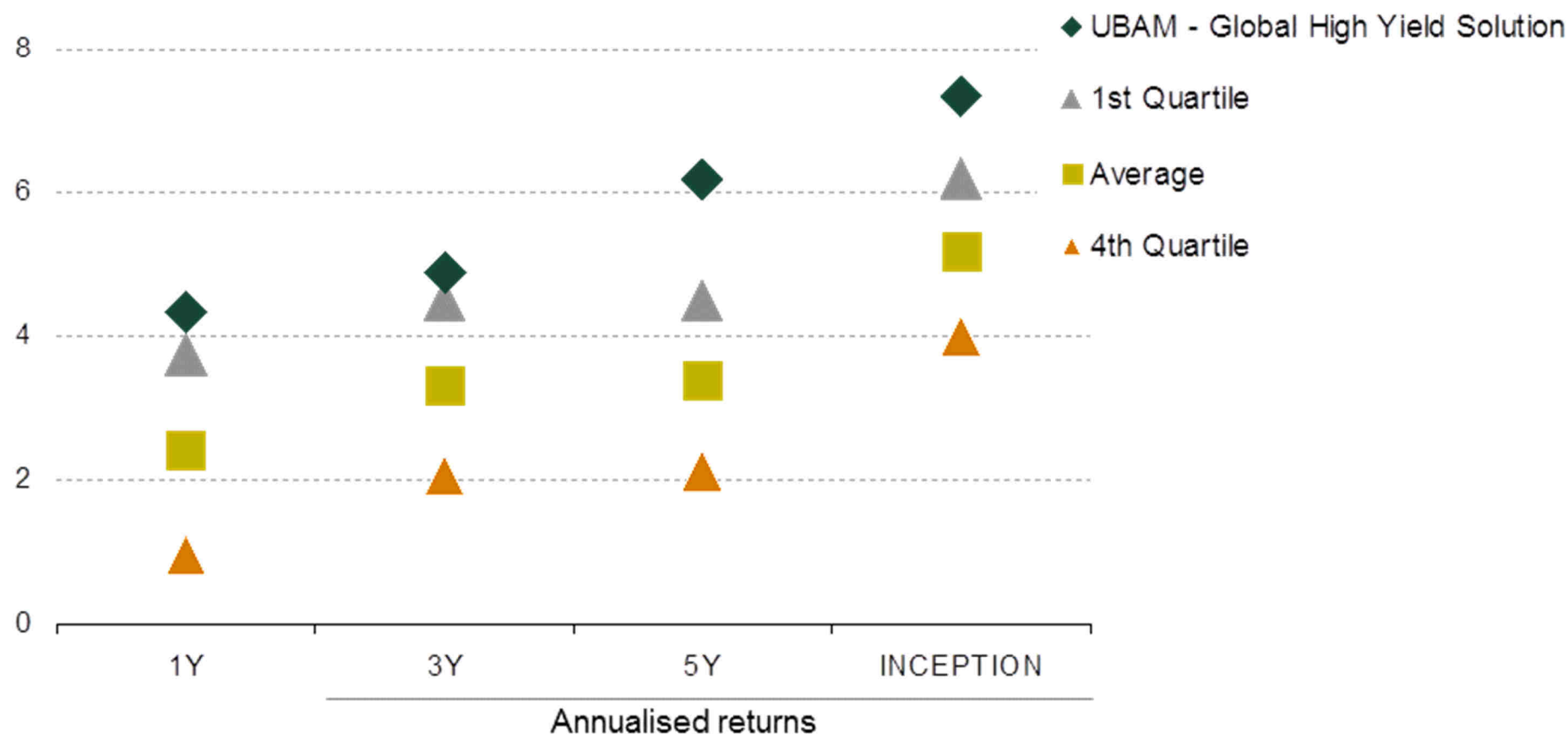
LIPPER
FUND AWARDS 2014
EUROPE



Facendo leva sul successo del fondo UBAM - Global High Yield Solution

UBAM - Global High Yield Solution risulta *best-in-class* rispetto ai fondi HY US e globali nonostante una *duration* strutturalmente più bassa

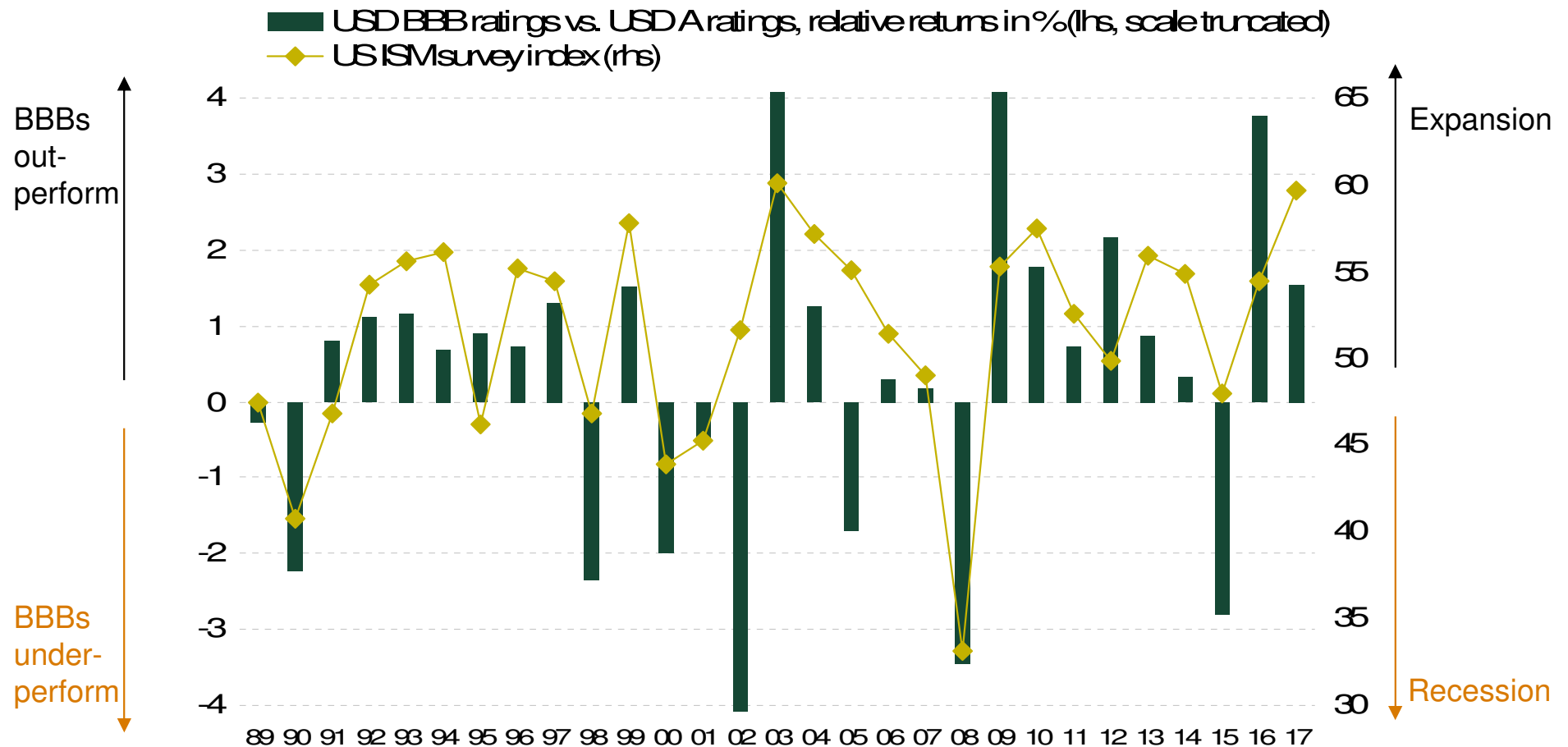
UBAM - Global High Yield Solution vs. peer group, in %



Source(s):UBP as of 30.04.2018, on retail share classes. Bloomberg Finance L.P.. Investment universe: US and Global High Yield strategies from Bloomberg, Currency: USD, assets: above 250 M USD on 31.12.2013. Retail share classes, daily liquidity mutual funds registered in the European Union, strategies with exposure to EM sovereign debt, US Preferred or Convertible bonds are excluded. Past performance is not an indicator of future results.

Top-down input is crucial in the management of the portfolio

Macro cycle is a main driver of relative performance

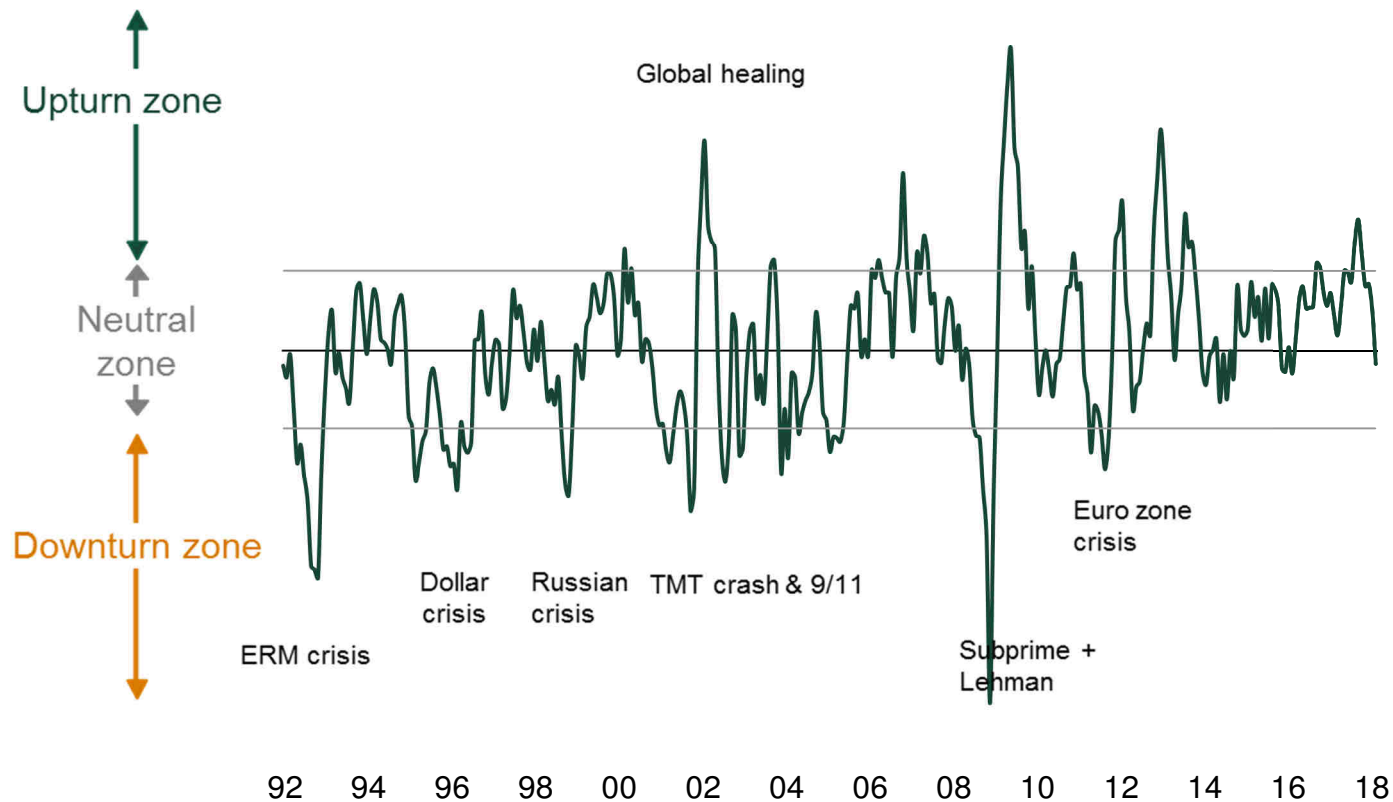


Source(s):UBP, Merrill Lynch, ISM, as of 31.12.2017. BBB index is ICE BofAML BBB US Corporate Index (C0A4). A Index is ICE BofAML Single-A Corporate Index (C0A3).

Proprietary indicators to define our macro scenario

Our turning point indicator as key input in deriving allocation shifts

UBP turning point indicator



Starting point of top-down view is 6 to 9-month macroeconomic scenario, with proprietary macro leading indicators as key inputs

Key proprietary indicators are:

- ◆ Turning-point indicator
- ◆ Growth indicator
- ◆ Inflation indicator
- ◆ Monetary policy indicator

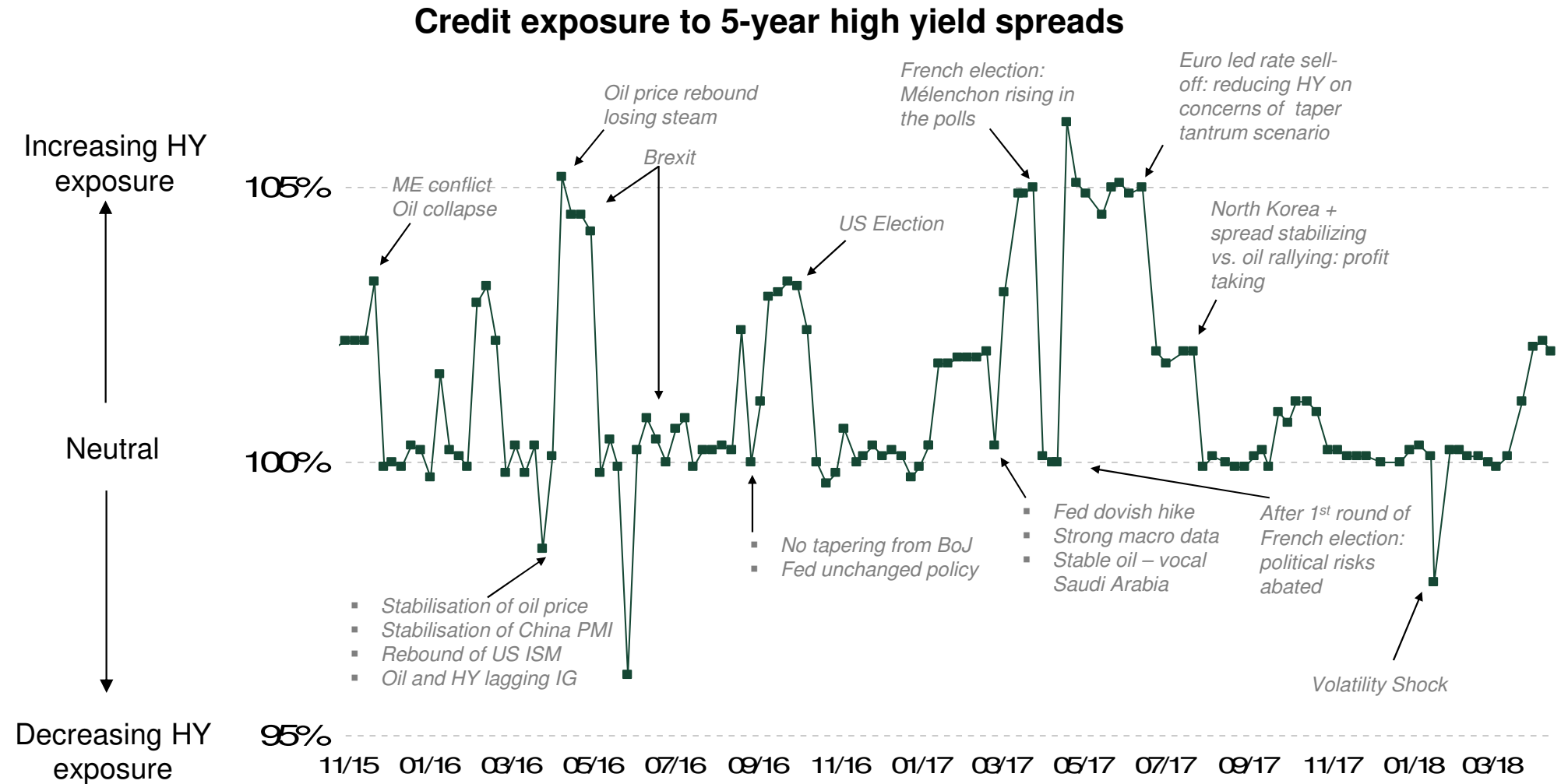
The turning-point indicator sends early warning signals about turning points in the growth cycle

It captures whenever firms are surprised by the strength of demand and thus need to alter their inventories/production level

Source(s): European Commission, Eurostat, UBP, as of 30.04.2018

Top-down allocation: Active management of the credit exposure

Credit exposure since November 2015

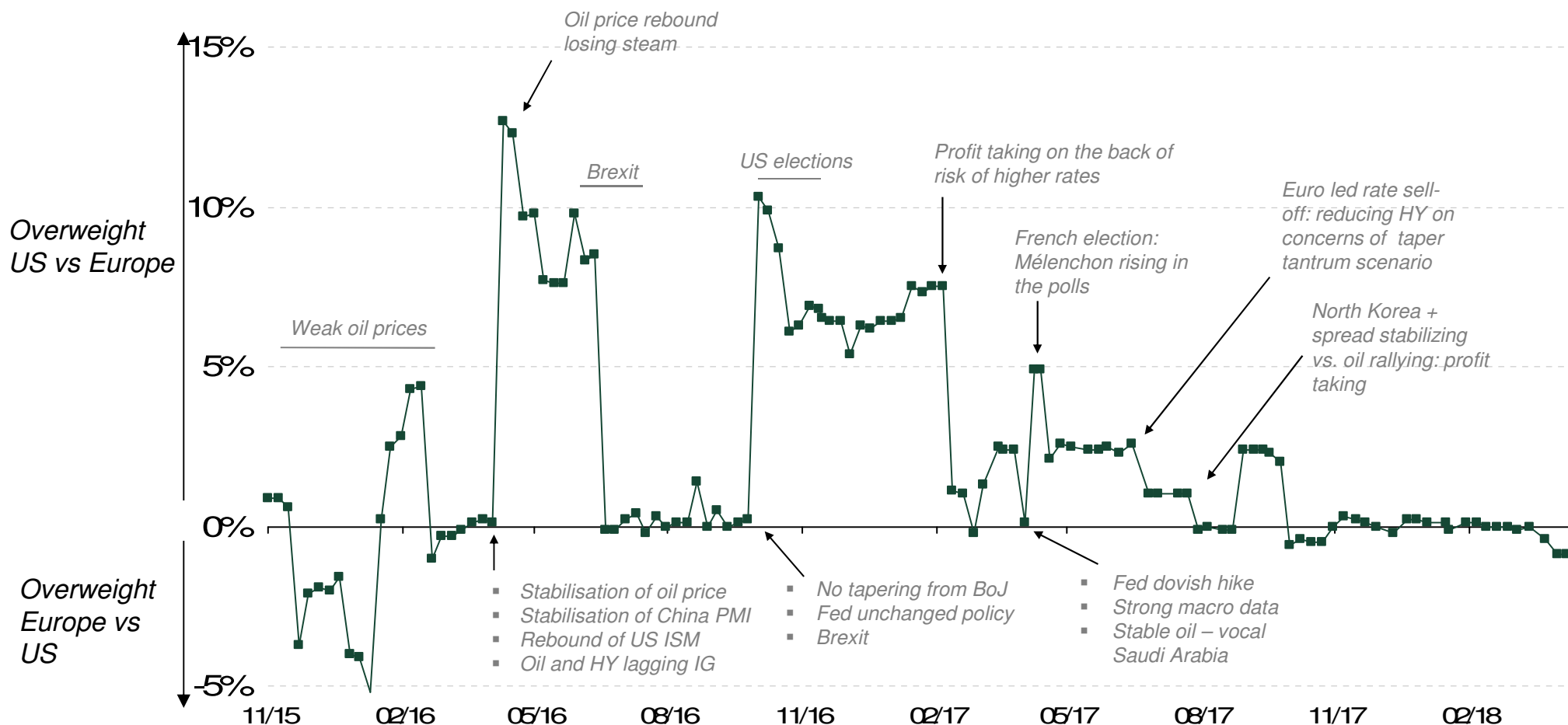


Source(s): UBP, as of 30.04.2018. Past performance is not a guide for current or future results.

Top-down allocation: Active management of the regional exposure

US / Europe exposure since November 2015

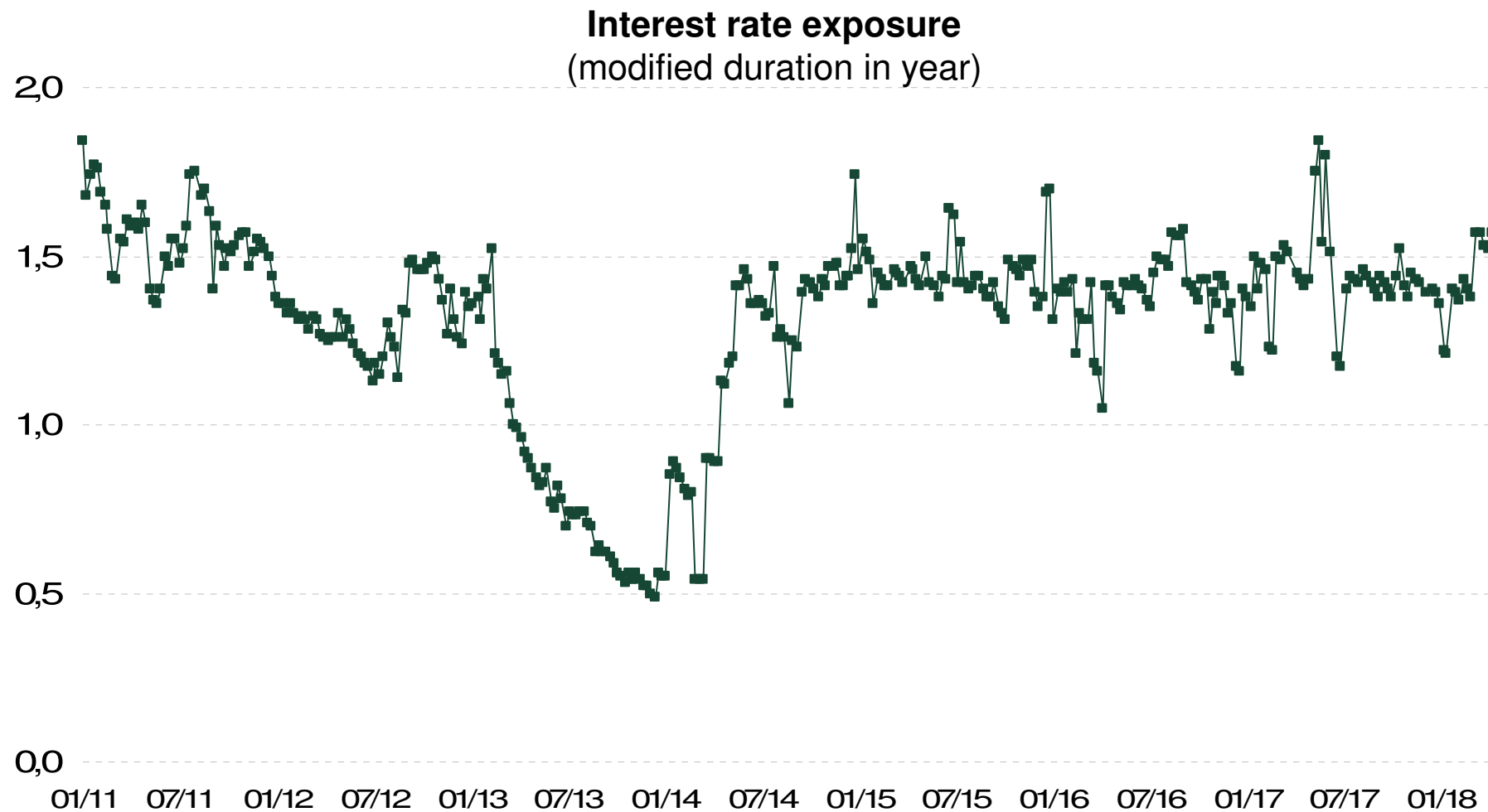
Regional exposure



Source(s): UBP, as of 30.04.2018. Past performance is not a guide for current or future results.

Top-down allocation: Active management of the interest rate exposure

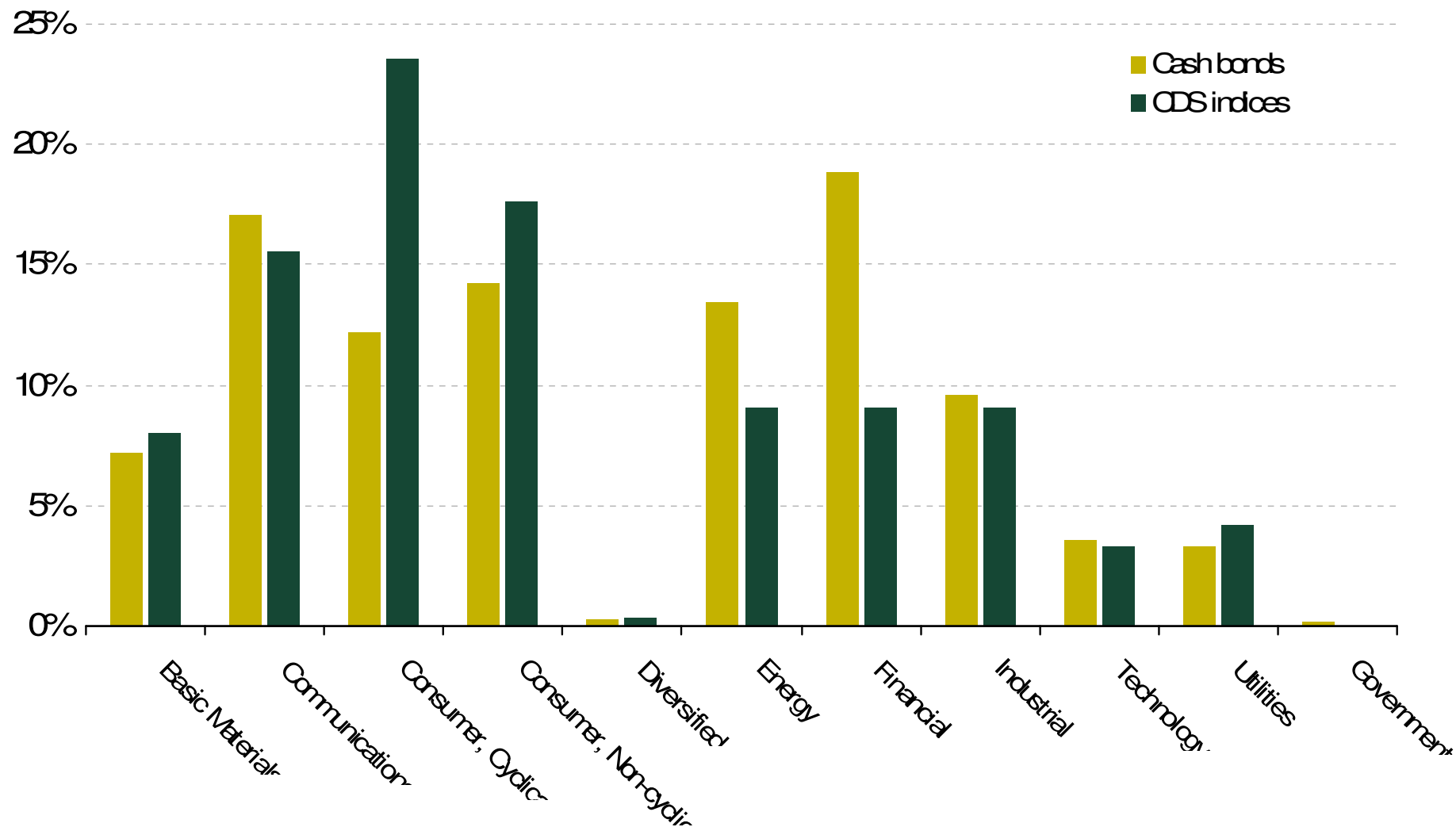
Interest rate exposure: focus since launch



Source(s): UBP, as of 30.04.2018. Past performance is not a guide for current or future results.

High yield cash bond indices vs. high yield CDS indices

Indices vs. cash bonds



Source(s):UBP, Bloomberg Finance L.P., as of 30.04.2018
CDS indices: 67% US High yield CDS index + 33% Euro high yield CDS index.
Cash index: Global ICE BofAML High Yield index.



THE DRIVE YOU DEMAND

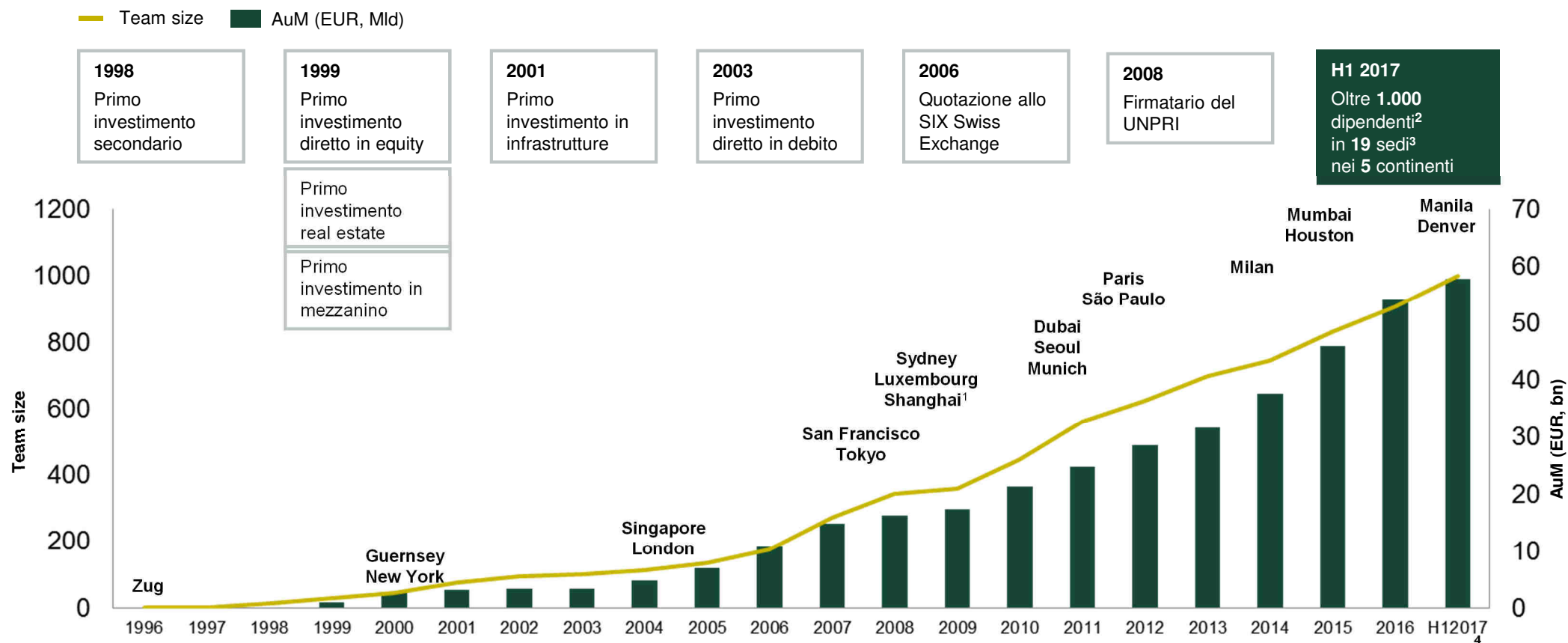
Partners Group - Leader globale per gli investimenti privati



UNION BANCAIRE PRIVÉE

Partners Group: Date chiave della crescita societaria

Sviluppo delle dimensioni del team e degli AuM



¹ Sede di Pechino spostata a Shanghai nel gennaio 2014.

² Dati del Team al 31 agosto 2017.

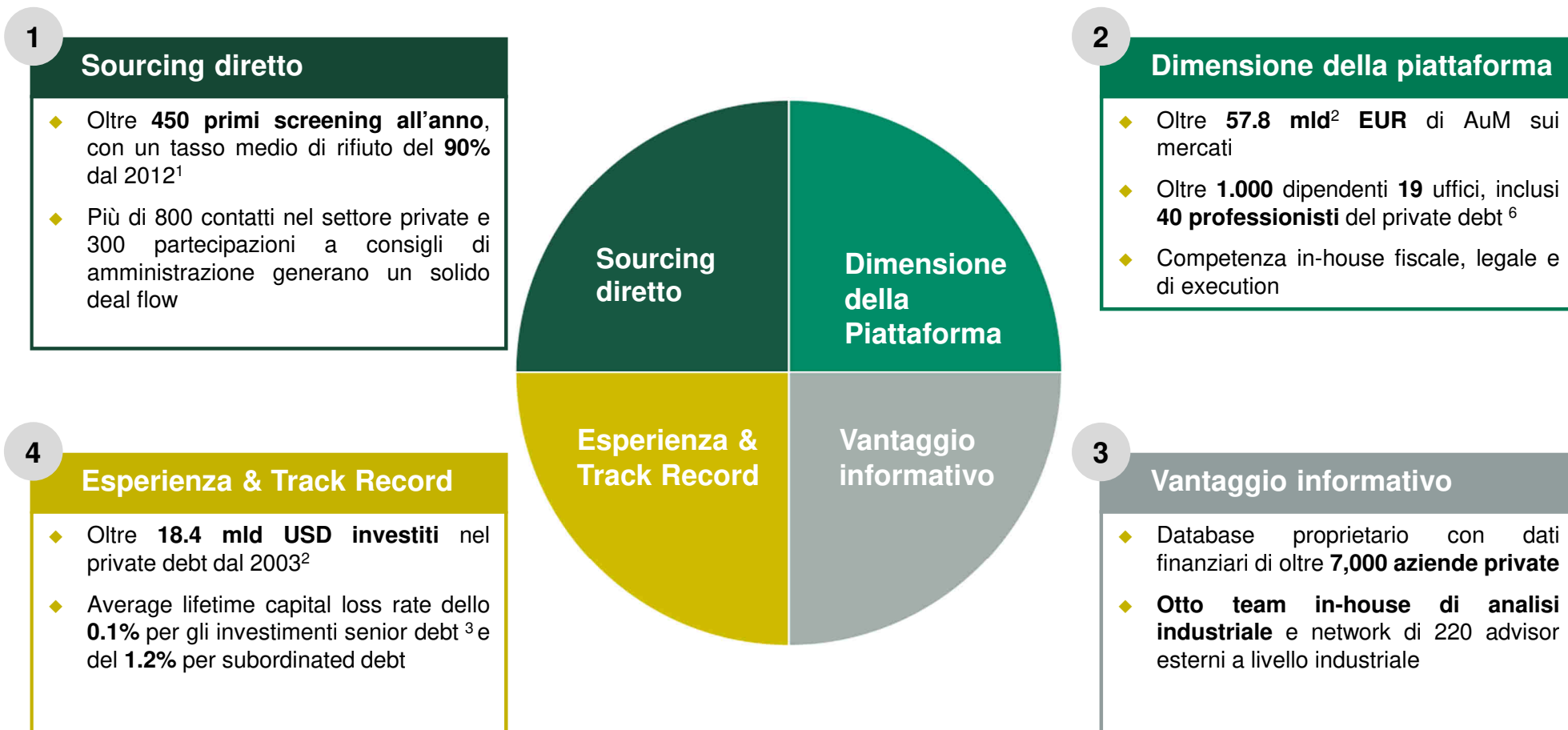
³ Si prega di notare che l'azienda sta per trasferire le attività basate a San Francisco alla sua sede di Denver

⁴ Non audited, inclusi tutti gli affiliati di Partners Group affiliates, dati AuM al 30 Giugno 2017.

Partners Group: Leader fra i manager degli investimenti private

Ranking	Nome	Market cap. (in Mld. USD)
1	Blackstone	42.1
2	Partners Group	19.3
3	KKR	18.8
4	Apollo	13.8
5	Carlyle Group	7.9
6	Oaktree Capital	6.4
7	Ares	4.8
8	Fortress	3.1

Tratti distintivi di Partners Group



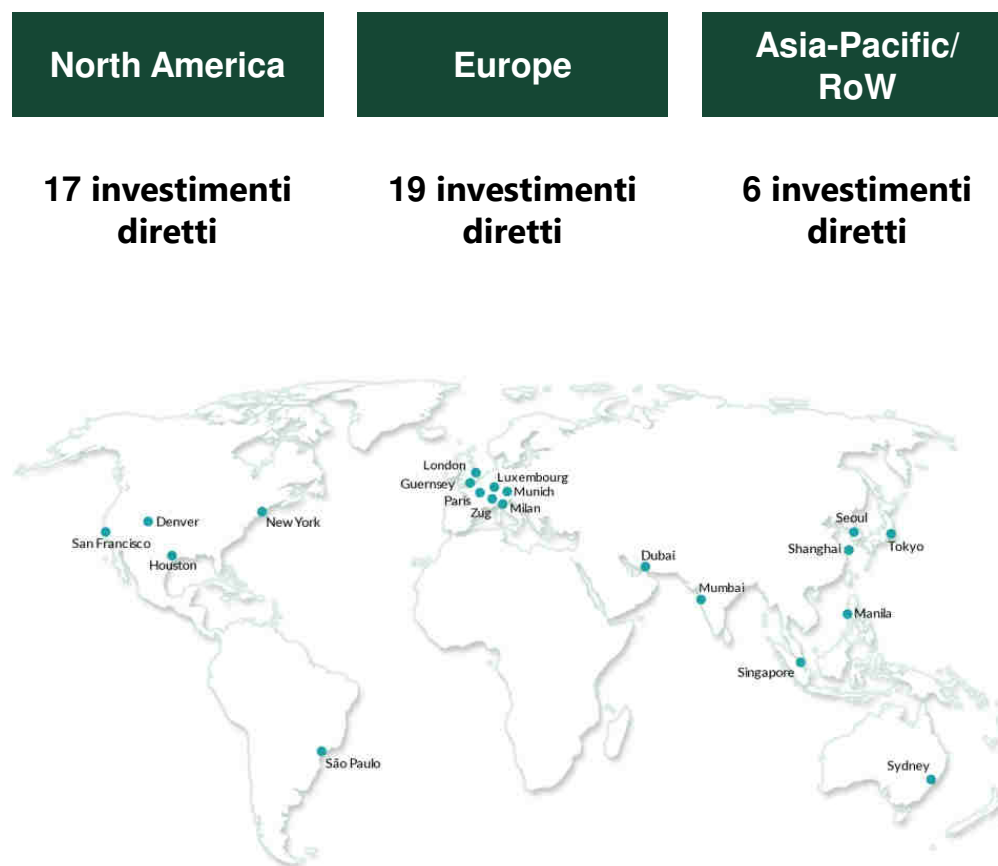
Past performance is not indicative of future results. For illustrative purposes only. 1 As of 30 June 2017 2 As of 30 June 2017 3 Partners Group data as of 30 June 2017. Partners Group's lifetime capital loss rate is the average of the lifetime capital loss rate by calendar year. The lifetime capital loss rate is defined as the default rate multiplied by one minus the lifetime preservation rate. The default rate for an investment year is the principal of defaulted loans as a percentage of the average principal outstanding during the year. The lifetime preservation rate for an investment year is the total value (any value realized and unrealized) of defaulted loans as a percentage of the principal of defaulted loans. 4 As of 30 June 2017 (unaudited). 5 As of 30 June 2017 6 As of 31 August 2017.

H1 2017 della piattaforma di investimenti di Partners Group

Aggiornamento della piattaforma di investimenti

- ▶ Over 1,000 total employees¹
- ▶ USD 5.6 billion invested in private markets opportunities on behalf of our clients
- ▶ USD 3.2 billion direct investments based on 2'211 direct opportunities screened
 - ▶ USD 0.9 billion invested in 9 assets
 - ▶ USD 2.3 billion invested in 33 credits
- ▶ USD 1.0 billion secondary investments; USD 73 billion screened across all asset classes
- ▶ USD 1.4 billion invested with select best-in-class managers in the private markets industry
- ▶ USD 4.3 billion underlying portfolio distributions

42 investimenti diretti nel mondo



Dati sul team al 31 Agosto 2017

Note: preliminary and estimated figures; figures exclude investments executed for short-term loans, cash management purposes and syndication partner investments. Source: Partners Group.

UBP PG – Active Income

Biografie degli esperti di Partners Group (1/2)

Scott Essex, Partner, Co-Head Private Debt

Scott Essex is Co-Head of the Private Debt business department and Head of the Private Debt Americas business unit, based in New York. He is a member of the Global Executive Board. He is a member of the Global Investment Committee and the Chairman of the Private Debt Investment Committee. He has been with Partners Group since 2007 and has 16 years of industry experience. Prior to joining Partners Group, he worked at GE Capital and Lazard Ltd. He holds an MBA from the Georgetown University McDonough School of Business, Washington, D.C.

Christopher Bone, Managing Director, Head Private Debt Europe

Christopher Bone is Head of Private Debt in Europe, based in London. He is a member of the Private Debt Investment Committee. He has 16 years of industry experience. Prior to joining Partners Group, he worked at Alpinvest Partners, RBS, PricewaterhouseCoopers and Ernst & Young. He holds a master's degree in finance from the University of Durham, UK. He is also a CFA charterholder.

Christian Ebert, Managing Director, Private Debt Europe

Christian Ebert is part of the European Private Debt business unit, based in Zug. He is a member of the Private Debt Investment Committee. He has been with Partners Group since 2002 and has 15 years of industry experience. He holds a master's degree in finance from the Stockholm School of Economics, Sweden.

Roberto Cagnati, Managing Director, Head Portfolio and Mandate Solutions

Roberto Cagnati is Head of the Portfolio and Mandate Solutions business unit, based in Zug. He has been with Partners Group since 2004 and has twelve years of industry experience. Prior to joining Partners Group, he had assignments at Deutsche Bank Asset Management and Credit Suisse Private Banking. He holds a master's degree in economics from the University of Konstanz, Germany.

Christopher Hardison, Senior Vice President, Private Debt Americas

Christopher Hardison is part of the Private Debt Americas business unit, based in New York. He is a member of the Private Debt Investment Committee. He has 14 years of industry experience. Prior to joining Partners Group, he worked at RBC Capital Markets and GE Capital. He holds a bachelor's degree in neuroscience from Hamilton College, New York.

UBP PG – Active Income

Biografie degli esperti di Partners Group (2/2)

Alexander Ott, Senior Vice President, Private Debt Europe

Alexander Ott is part of the European Private Debt business unit, based in Zug. He is a member of the Private Debt Investment Committee and the Private Real Estate Directs Investment Committee. He has been with Partners Group since 2006 and has 14 years of industry experience. Prior to joining Partners Group, he worked at Allianz. He holds an MBA from Nanyang Technological University, Singapore.

Robin Thywissen, Senior Vice President, Private Debt Europe

Robin Thywissen is part of the European Private Debt business unit, based in London. He is a member of the Private Debt Investment Committee. He has been with Partners Group since 2010 and has 14 years of industry experience. Prior to joining Partners Group, he worked at MML Capital Partners, Terra Firma Capital Partners and BNP Paribas. He holds an MBA from INSEAD Paris, France and a master's degree in finance from the Paris Dauphine University, France.

Edward Tong, Senior Vice President, Head Private Debt Asia

Edward Tong is Head of Private Debt in Asia, based in Singapore. He is a member of the Private Debt Investment Committee. He has twelve years of industry experience. Prior to joining Partners Group, he worked at ING Bank. He holds a bachelor's degree in accounting and finance from the London School of Economics, UK.

Christian Wicklein, Senior Vice President, Head Distribution Partners Europe

Christian Wicklein is Head of the European Distribution Partners team, based in Zug. He has been with Partners Group since 2007. Prior to joining Partners Group, he had assignments at Airbus S.A.S. and MTU Aero Engines. He holds a master's degree in European business from ESCP Europe, Germany.

Alexandre Weill, Associate, Portfolio and Mandate Solutions

Alexandre Weill is part of the Portfolio and Mandate Solutions business unit, based in Zug. Prior joining Partners Group, he worked at Morgan Stanley and Alpstar Capital. He holds a master's degree in investment management from EDHEC Business School, France.

UBP PG – Active Income

Biografie degli esperti di UBP Global & Absolute Return Fixed Income (1/2)

Christel Rendu de Lint, Head of UBP Fixed Income - Senior Portfolio Manager

Christel joined UBP in November 2007 as head of the fixed income team. Previously, she worked for four years at Pictet Asset Management, where she was responsible for euro government bond funds and for co-managing euro aggregate mandates. Prior to this, she spent three years at Morgan Stanley in London as a European economist, with responsibility for the analysis of the eurozone business cycle before becoming the lead UK economist. She also worked at the International Monetary Fund and with the UK Treasury. Christel holds a masters' degree in Economics and Finance from the University of St. Gallen and a PhD in Economics from the London Business School. She has had articles published in several academic journals.

Philippe Gräub, Deputy Head - Senior Portfolio Manager

Philippe joined UBP's fixed income team in November 2007 as Senior Portfolio Manager. Previously, Philippe was senior investment manager at Pictet Asset Management, responsible for euro corporate bond funds and co-managing euro aggregate mandates. He spent six years at Pictet, starting his career as a quantitative credit analyst, before turning to fund management. Philippe holds an MSc in Physics from the Swiss Federal Institute of Technology and an MSc in Financial Mathematics from the Ecole Polytechnique in Paris. He is also CFA charterholder.

Bram ten Kate, Portfolio Manager

Bram joined UBP's fixed income team in February 2013 as quantitative portfolio manager. He acts as a specialist on relative value and risk analysis across rates and credit. He further co-manages short-dated credit and aggregate portfolios. Previously, Bram has worked at ABN AMRO as structured product specialist and at Credit-Suisse as quantitative strategist for the Equity Derivatives group. Bram holds a BSc in Economics and an MSc in Financial Engineering and Risk Management from the University of Lausanne.

Mohammed Kazmi, Portfolio Manager, Macro Strategist

Mohammed joined UBP's fixed income team in November 2015 as a macro strategist. He co-formulates the top-down asset allocation view as implemented across portfolios. Previously, he spent close to two years working as a Macro Currency Strategist within the Macro Currency Group at Principal Global Investors in London. Prior to this he spent three years at the Royal Bank of Scotland (RBS) in London working as a cross-asset class Emerging Markets Strategist. Mohammed holds a BSc in Economics from University College London.

Svetlana Narkevich, Portfolio manager, Senior Credit Analyst

Svetlana joined UBP's fixed income team in January 2011 as a senior credit analyst covering the financial sector. She co-manages financial positions across portfolios. Previously she worked for five years for Deka Investment in Frankfurt a.M. where she was responsible for analysis of financial institutions and management of corporate bonds institutional and retail funds. Prior to that she worked for Allianz Global Investors. She holds a degree in business administration and economics from the Johann Wolfgang Goethe University of Frankfurt a.M. She is a Financial Risk Manager and also CFA Charterholder

UBP PG – Active Income

Biografie degli esperti di UBP Global & Absolute Return Fixed Income (2/2)

Thibault Colle, Portfolio manager, Global Credit Analyst

Thibault joined UBP's fixed income team in July 2015 as a credit analyst covering non-financial sectors. He co-manages non-financial positions across portfolios. Previously, he spent four years at UBS in London working as a European corporate credit strategist. Thibault holds a BSc in Mathematics and Economics from the London School of Economics and a master of finance from the Massachusetts Institute of Technology.

Olivier Buhler, Portfolio Manager, Senior Trader

Olivier joined UBP's fixed income team in September 2009. He is in charge of portfolio implementation and trade execution. Olivier further manages money market funds and bespoke portfolios. Previously, Olivier worked for two years at UBP's Fund Desk as a hedge-fund dealer. Olivier holds an MSc in Business and Administration from the University of Geneva.

Edouard Gonnet, Portfolio Manager, Trader

Edouard joined UBP's fixed income team in May 2012. He is in charge of portfolio implementation and trade execution. He further co-manages CDS strategies. Previously, Edouard worked one year for UBP's Middle-Office and was in charge of the fixed-income transactions. Prior to this he spent two years at Nestle Capital Advisers. Edouard holds an MSc in Management and Finance from Telecom & Management SudParis.

Gerda Cabej, Quantitative Analyst

Gerda Cabej joined UBP's Global and Absolute Return Fixed Income team in October 2016 as a Quantitative Analyst. She holds a master in Financial Engineering and Risk Management from the University of Lausanne and a PhD in Econometrics from the University of Geneva. Prior to joining the team, she worked as a researcher in the Department of Quantitative Methods of the University of Basel.

Olivier Debat, Senior Investment Specialist

Olivier joined UBP in August 2010 as an investment specialist dedicated to fixed income. Previously, he spent two years at Allianz Global Investors in Paris working on Euro Fixed Income strategies, with a focus on investment-grade and high-yield credit products. Before joining Allianz, Olivier spent four years at Credit Agricole Investment Bank as an Account Manager in the Global Oil & Gas Division and then as an Associate on the Equity Capital Markets desk. Prior to this, he was an Equity Analyst at Credit Lyonnais for four years. Olivier is a graduate of the EM Lyon Business School and holds the CEFA diploma.

Bernard McGrath, Investment Specialist

Bernard McGrath joined UBP in September 2017 as an Investment Specialist, dedicated to Fixed Income. For the previous six years, Bernard worked for Zurich Life Assurance in Dublin, Ireland as a Portfolio Manager responsible for actively managing a number of sovereign fixed income funds. Prior to joining Zurich, Bernard began his career in September 2008 on Bank of Ireland's Capital Markets Graduate Programme before transitioning to the position of Proprietary Trader within the bank's Global Markets division. Bernard holds a BA (Hons) in Economics and Politics, a Masters in Management from University College Dublin and is a CFA Charterholder.

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Union Bancaire Privée, UBP SA

Rue du Rhône 96-98 | PO Box 1320 | 1211 Geneva 1, Switzerland

T +41 58 819 2111 | F +41 58 819 2200 | E ubp@ubp.com | www.ubp.com

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