



EDMOND
DE ROTHSCHILD

EDMOND DE ROTHSCHILD FUND BOND ALLOCATION



**NICOLAS
LEPRINCE**

*Fund managers**



**JULIEN
TISSERAND**

The future needs a cornerstone

- ▶ By actively investing across global bond markets, Edmond de Rothschild Fund Bond Allocation seeks to outperform a composite index of European government and corporate bonds**.
- ▶ This bond allocation fund also seeks to achieve positive returns over an investment horizon of 3 years whatever the prevailing market conditions.



KEY POINTS

Active and flexible allocation across all bond market segments

A broad range of bond classes and strategies for access to varied investment opportunities

A fund which capitalises on Edmond de Rothschild Asset Management's broad expertise in bond management

Active management of modified duration within a [-2;+8] spread

The Fund is exposed to credit risk

ACCESS TO ALL BOND MARKET SEGMENTS

Edmond de Rothschild Fund Bond Allocation benefits from a broad investment universe comprising the bond market's main segments:

- ▶ Government bonds
- ▶ Inflation-indexed bonds
- ▶ Investment Grade credit¹
- ▶ High Yield credit²
- ▶ Emerging zone bonds
- ▶ Financial debt
- ▶ Convertible bonds
- ▶ Money markets

The investment team deploys various strategies on these asset classes such as carry³, duration⁴, yield curve or relative value. This helps the fund benefit from both market segment and strategy diversification.

FLEXIBLE INVESTING

Bond markets offer various opportunities whatever the phase in the economic cycle. However, market conditions can mean these opportunities vary considerably. Due to its active and flexible allocation approach, Edmond de Rothschild Fund Bond Allocation is able to capture these opportunities.

The fund benefits from broad investment limits which help the investment team act on their strong convictions across bond market segments and adapt to market conditions.

The fund's flexibility also comes from managing portfolio modified duration⁵ within a spread ranging from -2 to +8. This helps capture market performance when conditions are favourable and protect the portfolio when the situation is more fragile, for example when interest rates are rising.

Edmond de Rothschild Fund Bond Allocation is a sub fund of the Luxembourg-regulated SICAV which is approved by the CSSF and approved for marketing in France, Luxembourg, Switzerland, Autriche, Germany, Spain and Italy.

**The fund's benchmark index is 50% of the Barclays Capital Euro Aggregate Corporate Total Return index and 50% of the Barclays Capital Euro Aggregate Treasury Total Return index.

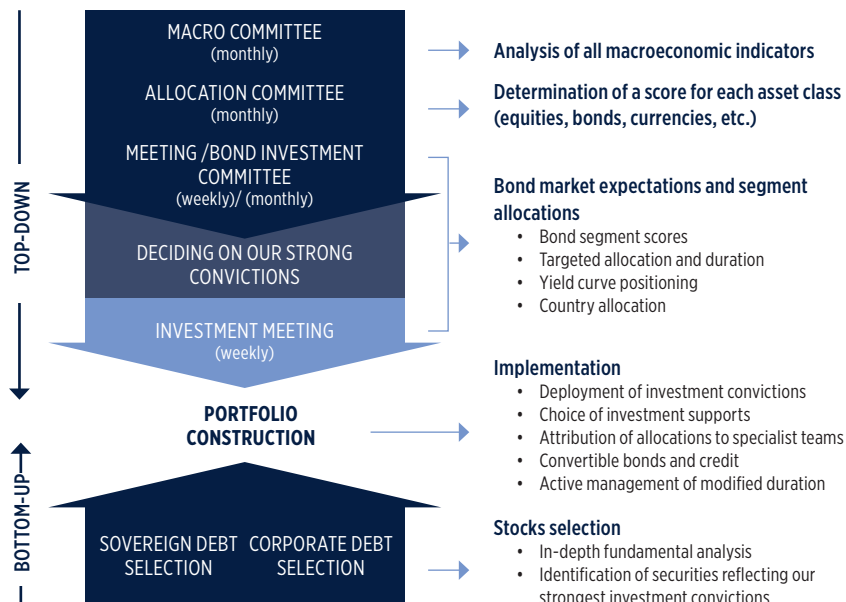
¹Investment Grade: bonds rated as high quality by rating agencies. ²High Yield: corporate bonds with a higher default risk than investment grade bonds but which pay out higher coupons. ³Carry: holding bonds until maturity in order to benefit from their coupon payments. ⁴Duration: corresponds to the average life of a bond discounted for all interest and capital flows. ⁵Modified duration: the percentage change in a bond from a given change in interest rates.

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OUR INVESTMENT PROCESS: A BLEND OF CONVICTIONS AND FLEXIBILITY

The investment team has developed an investment process based on a dual top-down and bottom-up approach. This benefits from the complementary skills of Edmond de Rothschild Asset Management's bond managers, bringing together relevant macroeconomic analysis, the Sovereign Debt and Asset Allocation team's strong convictions and the bond picking skills of our specialists on each market segment.

Source: Edmond de Rothschild Asset Management (France).
The above investment process comprises various internal investment constraints set up by the investment team.
The process may change over time.



FUND INFORMATION*

Inception date: 30/12/2004

ISIN Codes

'A' Share: LU1161527038 / 'B' Share: LU1161526907

'I' Share: LU1161526816

Maximum management charges

'A' and 'B' Shares: 0.80% net / 'I' Share: 0.40% net

Variable management fees

15% of annual performance in excess of the benchmark

Minimum initial subscription

'A' and 'B' Shares: 1 share / 'I' Share: €500,000

Front load charge

'A' Share : 1% maximum / 'B' Share : 3% maximum

'I' Share : None

Redemption charges: None

Income attribution

'A' and 'I' Shares: Capitalisation / 'B' Share: Distribution

Benchmark: 50% of the Barclays Capital Euro Aggregate Corporate Total Return index and 50% of the Barclays Capital Euro Aggregate Treasury Total Return index

Recommended investment horizon: > 3 years

* Shares described herein are the main euro-denominated shares. The fund also has shares in USD, GBP, CHF. Please ask you sales contact for any further information.

PRINCIPAL INVESTMENT RISKS

The subfund is classified in category 3 (A, B and I shares) in line with the nature of securities and geographical zones in the "objectives and investment policy" section of the key investor information document (KIID).

Capital loss risk: as the subfund does not have any guarantee or protection, the capital initially invested might not be restituted in full even if subscribers hold their shares over the recommended investment horizon.

Credit risk: the main risk is issuer payment default on interest payments and/or on reimbursement of the capital. Credit risk also concerns issuer downgrades.

Subscribers are warned that the subfund's net asset value could fall should a total loss be incurred on a transaction due to counterparty default. Any private company debt held directly by the portfolio or through mutual subfunds exposes the subfund to changes in the issuing company's credit rating.

Credit risk from investing in speculative securities: the subfund may invest in government and corporate rated as non investment grade by a rating agency (i.e. rated below BBB- by Standards and Poor's or an equivalent rating from another independent agency) or considered as equivalent by our investment company. These issues are so-called speculative debt securities with a higher risk of issuer default. The subfund must be viewed as partly speculative and concerns in particular investors who are aware of the risks inherent in these securities. Consequently, investing in high yield securities (speculative securities which have a higher default risk) may entail a bigger fall in the subfund's net asset value.

Interest rate risk: exposure to bond instruments, whether debt securities or money market instruments, means the subfund is sensitive to interest rate fluctuations. Interest rate risk might entail a capital loss from yield curve movements and therefore a fall in the subfund's net asset value.

Risks from emerging market investments: the subfund may be exposed to emerging markets. In addition to stock-specific risks, there is a risk from external factors, especially on these markets. Investors should also note that operating conditions and supervisory standards on these markets may differ from those on major international stock markets. As a result, holding these securities may increase the portfolio's risk. As market falls in emerging markets may be more pronounced and faster than in developed countries, the subfund's NAV may also suffer larger and faster declines.

Risk from participation in financial contracts and counterparty risk: the use of financial contracts may mean a sharper and faster fall in the subfund's net asset value than that of the markets in which the subfund is invested. Counterparty risk stems from the subfund's use of OTC financial contracts and/or temporary acquisitions and disposals of securities. These transactions may expose the subfund to counterparty default risk and therefore a fall in the subfund's net asset value.

GLOBAL DISTRIBUTOR

**EDMOND DE ROTHSCHILD
ASSET MANAGEMENT (FRANCE)**

47, rue du Faubourg Saint-Honoré, 75401 Paris Cedex 08
Société anonyme governed by an executive board
and a supervisory board with capital of 11,033,769 euros
AMF Registration No. GP 04000015
332.652.536 R.C.S. Paris

MANAGEMENT COMPANY

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Disclaimer: Edmond de Rothschild Fund SICAV CNMV number is n.229. For further details and information about the fund consult the fund prospectus, bylaws and financial reports, all of which are available from any authorised distributor or from the CNMV. For further details and information about the fund consult the fund prospectus, bylaws and financial reports, all of which are available from any authorised distributor or from the CNMV.

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