EDMOND DE ROTHSCHILD

EDMOND DE ROTHSCHILD SICAV START

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Give your long term cash a fresh start

► Edmond de Rothschild SICAV Start is a low volatility, diversified fund which seeks absolute returns uncorrelated with international markets over the recommended investment horizon of 18 months. The target volatility will be 2% and may increase up to a maximum of 3%. To do so, the investment team adopts a discretionary, opportunistic investment approach based on fundamental analysis across equity, bond and currency markets.

The portfolio reflects the investment convictions of the Asset Allocation and Sovereign Debt team at Edmond de Rothschild Asset Management (France). The team comprises 11 allocation managers with complementary profiles who cover all asset classes. In today's low interest rate environment, the fund is designed for investors looking for higher returns than risk-free investments; this entails more risk although volatility is kept under control.

KEY POINTS

A diversified fund which seeks positive returns which are uncorrelated with international markets whatever the prevailing market conditions.

An absolute return strategy which is particularly adapted to the current environment as shown by our 10-year track record

Discretionary, opportunistic investing across a vast investment universe (equities, bonds and currencies)

Strict investment rules designed to limit risk-taking and keep the target volatility at 2% capped at 3%

The fund is notably subject to capital loss and arbitrage strategy risk

* The fund managers featured in this document may change over time.

2 COMPLEMENTARY STRATEGIES

The portfolio is invested in 2 types of strategy[1] :

- **A flexible carry envelope** invested in main bond market segments like sovereign debt, investment grade credit[2] or high yield credit[3], The goal is to generate regular returns while limiting interest rate and credit risk.
- **An actively managed envelope** to boost fund performance while keeping volatility under the 3% level. The investment team deploys directional and relative value strategies across international markets (equities, fixed income and currencies).

A DIVERSIFIED INVESTMENT UNIVERSE BUT WITHIN A RISK-CONTROLLED FRAMEWORK

The investment team has access to a vast investment universe and various liquid instruments (direct investments in securities and derivatives). To limit risk, various investment rules are observed. All these limits must comply with the 2% volatility target :

- Interest rate sensitivity -2 ⟷ +4
- Equity exposure -10% ⟷ +15%
- Currencies (excl. EUR) 0% ⟷ 40%

		OCDE	Emerging Countries
Investment Grade	Governments	100%	
	Credit		
High Yield < 30% *(ex. OECD gov.)*	Governments	100%	25%
	Credit	25%	25%
Convertibles		25%	

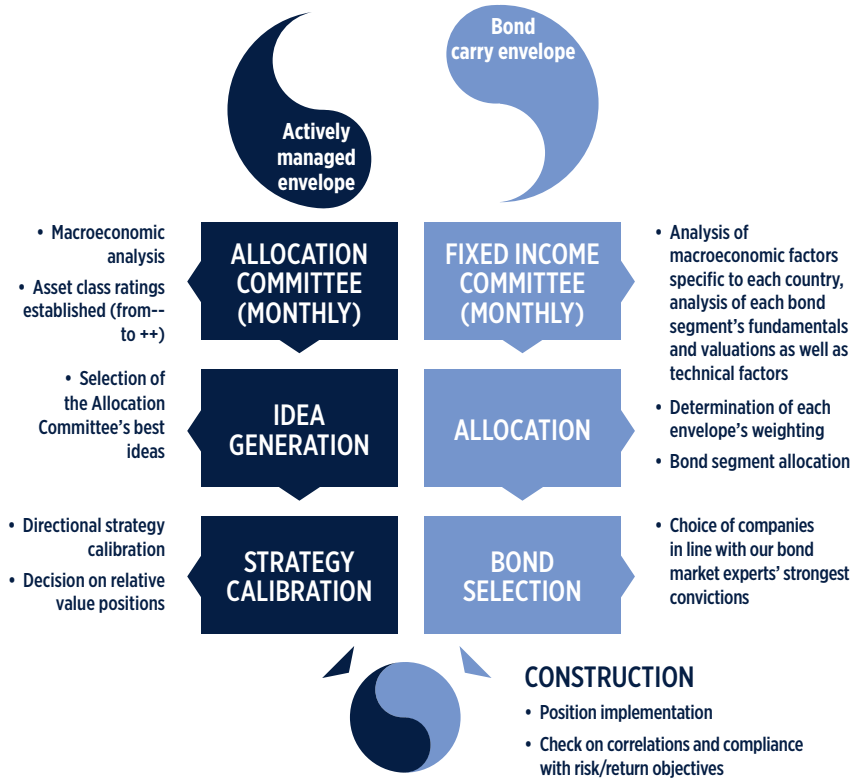
1. The above investment process comprises various internal investment constraints set up by the investment team. This process may change over time.
2. Investment Grade: bonds rated as high quality by rating agencies.
3. High yield: corporate bonds with a higher default risk than investment grade bonds but which pay out higher coupons.

OUR INVESTMENT PROCESS COMBINES CONVICTIONS AND FLEXIBILITY[4]

Thanks to the Asset Allocation and Sovereign Debt's expertise across all asset classes, EdR Start boasts a proven investment process.

Each of the 11 fund manager/analysts sits on various investment committees as a market segment specialist.

These committees provide a framework for the investment process and help our fund manager/analysts express their own convictions and debate their views on each asset class so as to forge a core investment scenario.



4. The above investment process comprises various internal investment constraints set up by the investment team. This process may change over time.

FUND INFORMATION

Edmond de Rothschild SICAV Start is a sub fund of the French regulated SICAV which is approved by the AMF and approved for marketing in Belgium, Switzerland, Germany, Spain, France, Italy, Luxembourg and Netherland.

Legal form: SICAV under French law since 21/03/2019. The sub-fund was previously a mutual fund under French law.

AMF classification: Balanced

Inception date: C share : 06/02/2008
I share : 14/05/2007

ISIN Codes: 'A' Share: FR0010459693
'I' Share: FR0010471136

Management fees: C share: 0,7% maximum
I share: 0.35% maximum

Variable management fees: 15 % of any outperformance over EONIA comp.

Minimum initial subscription
C share: 1 share / I share : 500.000 €

Subscription fees
1 % max. not credited to the fund

Redemption fees: None

Benchmark: EONIA Compound

Recommended investment horizon
18 months

MAIN INVESTMENT RISKS

This UCITS is rated as category 2, in line with the type of securities and geographic regions detailed under the heading "Objectives and investment policy", as well as the currency of the unit. The risks described below are not exhaustive: it is the responsibility of investors to analyse each investment's risk and to come to their own opinion.

Risk of capital loss: The UCITS does not guarantee or protect the capital invested, so investors may not recover the full amount of their initial capital invested even if they retain the units for the recommended investment period.

Interest rate risk: Exposure to interest rate products (debt securities and money market instruments) makes the UCITS sensitive to interest rate fluctuations. Interest rate risk might result in a fall in the value of the security and, therefore, the NAV of the UCITS in the event of a change in the yield curve.

Credit risk: The main risk linked to debt securities and/or money market instruments such as treasury bills (BTFs and BTANs), commercial papers and certificates of deposit is that of issuer default, due either to the non-payment of interest and/or the non-repayment of capital. Credit risk is also linked to the downgrading of an issuer. Unitholders are reminded that the net asset value of the UCITS is likely to drop if a total loss is recorded on a transaction following the default of a counterparty. The inclusion of debt securities in the portfolio, whether directly or through UCIs, exposes the UCITS to the effects of variations in credit quality.

Risk linked to investing in emerging markets: The UCITS may be exposed to emerging markets. In addition to the individual risks of each issuing company, external risks exist, particularly in these markets. Furthermore, investors' attention is drawn to the fact that the operating and oversight conditions in these markets may differ from the standards that prevail on major international exchanges. Consequently, the holding of such securities may increase the portfolio's risk profile. A fall in the market may thus be more marked and rapid than in developed countries, and the net asset value may fall further and more quickly and finally, companies held in the portfolio may have states as shareholders.

Risk linked to arbitrage strategies: The UCITS may invest in UCIs which are able to take positions on the futures markets. However, financial market trends may turn out to be contrary to those anticipated by the tools used by underlying UCIs, which may result in a decrease in the net asset value.

March 2019. This document is issued by Edmond de Rothschild Asset Management (France).

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