

# EDMOND DE ROTHSCHILD FUND EUROPE VALUE & YIELD

## THE FUND'S INVESTMENT TEAM



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### KEY POINTS

- ▶ An equity strategy adapted to current market conditions
- ▶ A management approach geared to providing a particularly attractive risk/return profile
- ▶ Targeted performance over a full economic cycle in return for a capital loss risk
- ▶ An investment team renowned for its expertise on European markets

## «Capturing **returns** on **European** equity markets»

**The Edmond de Rothschild Fund Europe Value & Yield** fund seeks capital growth from discretionary investments mostly in European community equities. Its investment universe is comparable to the MSCI Europe index.

The fund managers invest in discounted stocks and companies with attractive dividend yields.

### CONVICTION INVESTING IN A FUND MANAGED FOR THE LONG TERM

Edmond de Rothschild Fund Europe Value & Yield's management focuses on stock selection and risk management. This approach means the fund managers seek to reduce volatility without reducing the fund's potential performance.

#### The fund enjoys two performances drivers:

- ▶ Value stocks with strong upside potential which capture equity market rise.
- ▶ Yield stocks selected on the level and the durability of dividends which, as well as offering some protection if market drop, also help limit volatility.

### AN EXPERIENCED MANAGEMENT TEAM

The management team consists of eight portfolio managers and one product specialist with an average experience of 15 years and with an extensive knowledge of the European equity market.

The fund managers may change during the product's life.

Edmond de Rothschild Fund - Europe Value & Yield is a sub fund of the Luxembourg-regulated SICAV which is approved by the CSSF and approved for marketing in France, Luxembourg, Spain, Austria, Switzerland, Germany, Finland, United-Kingdom, Italy, Netherland and Taiwan.

## AN INVESTMENT PROCESS GEARED TO OPTIMISING THE RISK/RETURN

► **Determining the operational research universe:** The fund managers examine each stock's market cap and its valuation and yield criteria.

► **Fundamental qualitative analysis:** For a limited number of companies, the team uses input from external research to guide its analysis. Each company's strategy and management is then assessed and any specific city is identified at meetings with its executive team.

► **Portfolio construction:** for each investment case, the team adopts a return under risk constraint approach to decide on each stock's and investment thematic weights.

The objective is to offer investors access to a careful selection of European stocks while striving to reduce the portfolio's overall risk.



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.

## SUBFUND INFORMATION\*

**Fund inception date**  
02/09/1999

**ISIN Codes**  
A share: LU1103283468  
I share: LU1103284433

**Maximum management charges**  
A share: 1.70% max  
I share: 0.75% max

**Minimum initial subscription**  
A share: 1 share  
I share: EUR 500 000

**Front load charge**  
Maximum 3%

**Redemption charges**  
None

### Income attribution

A and I shares :  
Capitalisation

**Benchmark**  
MSCI Europe (EUR) (NR)

**Recommended investment horizon**  
> 5 years

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

## PRINCIPAL INVESTMENT RISKS

The subfund is a category 6 (C, D and I shares) or high risk/return subfund profile which reflects its ability to be up to 110% exposed to equity markets. Investments made by the subfund are subject to market trends and fluctuations. Investors may not recover the amount originally invested.

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.

**Capital loss risk:** as the subfund in this document does not have any guarantee or protection, the capital initially invested might not be restituted in full.

**Equity risk:** Share prices may move in line with factors specific to the issuing company but they may also react to external political and economic factors. Equity market fluctuations may entail changes in the subfund's net asset value and might have a significantly negative impact on its performance. The subfund's performance will depend on the companies selected by the asset management company.

**Exchange rate risk:** This may exist when stocks or investments are denominated in a different currency than that of the subfund. If the currency of portfolio holdings falls against the subfund's reference currency, the euro, the subfund's NAV could also fall.

**Interest rate risk:** Funds holding debt securities and money market instruments are exposed to fluctuations in interest rates. The risk is as follows: rising interest rates cause bond valuations to fall and thus a decline in the net asset valuation of the subfund or mandate.

**Credit risk:** Valuations of debt securities and other financial instruments are influenced by the issuing company's credit rating. As a result, their capital value fluctuates according to the market's perception of the financial health of their issuers and this may entail a fall in the subfund's NAV if the outlook turns negative. Credit risk corresponds to the risk that an issuer of bonds or money market instruments might not be able to honour his commitments.

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