EDMOND DE ROTHSCHILD

ASSET MANAGEMENT

MILLESIMA 2021

"Capture the yield delivered by euro-denominated corporate bonds"

Millesima 2021 is a fixed-term bond fund that seeks to deliver net annualised returns in excess of 3.8% (for C and D shares) over the recommended investment horizon - i.e. starting on the fund's inception date and ending on December 31st 2021.

In order to achieve this, the fund is managed according to the following investment strategy:

- A **Buy and Hold** portfolio maturing in December 2021, whose underlying bonds will be kept and held in the fund until they reach maturity
- Investments focus principally on **euro-denominated bonds** issued by industrial and financial companies
- **Priority is given to High-Yield bonds** (speculative grade carrying higher default risk), with a 10% limit on the lowest-rated segment (issues rated between CCC+ and CCC- or equivalent as determined by the fund management company).
- **Diversification** across **issuers and sectors**
- **Modified duration** may range between **0 and 6**
- Portfolio construction driven by a **Buy and Hold approach**, until the strategy reaches its term **in December 2021**

THE PORTFOLIO MANAGERS

Raphaël Chemla
Head of High Yield and Financial bonds

Julie Gualino-Daly
Fund manager, High Yield

The portfolio managers shown in this presentation may change during the life of the fund.

KEY POINTS

- A Buy & Hold fund focused on euro-denominated High-Yield corporate bonds (also known as speculative grade)
- High Yield bonds are so-called "speculative" bonds that carry a higher risk of default
- A fund with a fixed term: December 2021
- The fund aims to deliver a net return in excess of 3.8%* over the recommended investment horizon
- A strategy that helps to finance European companies and support their growth

* performance objective for C & D shares

SUPPORT THE FUNDING AND THE GROWTH OF EUROPEAN COMPANIES

In the current environment of low, sometimes negative interest rates, the search for yield has become a key concern for investors. The attractive and risk-free yield that sovereign bonds once offered is no longer available. But investors do have an alternative if they are willing to take on a higher risk (capital loss): there is opportunity in the **yield paid by European companies.**

The combination of the European Central Bank's accommodative monetary policy, sound businesses and improving corporate fundamentals is creating a positive backdrop for High-Yield bonds. This market is one of the most attractive within the bond space, despite carrying higher risks than other segments, such as Investment Grade bonds[1]. Edmond de Rothschild Asset Management (France) believes that over recent years, the High Yield bond market has gained in depth and maturity; it nevertheless **requires a thorough and selective approach.**

Driven by the in-depth analysis of corporate fundamentals, the investment process of Millesima 2021 aims to offer a solution that is suited to the specific characteristics of the asset class.
To invest in Millesima 2021 is to help finance and support the growth of european companies.

1. Investment Grade bonds are issued by companies that carry a default risk ranging from very low (whereby the capital is almost certain to be redeemed) to moderate. Their credit ratings range from AAA to BBB- (Standard & Poor's).

A FUND MANAGED BY CORPORATE DEBT SPECIALISTS

Edmond de Rothschild Asset Management (France) offers a conviction-driven approach when investing in the corporate bond market. The firm's high quality investment process is implemented by a team of experienced and specialised fund managers & analysts.

These investment professionals carry out in-depth analysis on corporate fundamentals. The research process includes a proprietary scoring system designed to assess the quality of individual issuers, beyond their simple credit ratings.

Edmond de Rothschild Asset Management (France) ranks among the pioneers of fixed-term funds in France and has successfully launched five similar open-ended funds since 2009.

EDMOND DE ROTHSCHILD ASSET MANAGEMENT (FRANCE)

- Over **20 years' investment expertise** in fixed income markets
- Over **€1.3 billion under management** in High Yield debt
- 4 fund managers & analysts dedicated to the High Yield segment and members of the broader Corporate Debt team
- A **specialist in fixed-term funds**: five open-ended funds launched since 2009

Data as of 30/11/2015. Source: Edmond de Rothschild Asset Management (France).

FUND INFORMATION

Legal Form
Mutual Fund under French Law – UCITS

AMF Classification
Bond and other euro debt securities

Inception Date
25 January 2016

ISIN Codes
C share: FR0013076478
D share: FR0013076486

Maximum management fees
C & D shares: 1.20% TTC

Performance fees
None

Minimum initial subscription
C & D shares: 1 share

Subscription fees (not payable to the fund)
C & D shares: 4% maximum

Redemption fees
Not payable to the fund: None
Payable to the fund: 1% until 31/12/2016 and none after

Benchmark
None

Recommended investment period
Untill 31/12/2021

PRINCIPAL INVESTMENT RISKS

The fund is classified in category (C and D 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).

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 Fund does not guarantee or protect the capital invested, and there is a risk that the capital invested will not be returned in full. Unitholders are advised that the performance objective is provided for information only and does not in any way constitute an obligation for the management company to provide results.

Credit risk: If a credit event occurs (for example, a significant widening of the remuneration margin of an issuer compared to a State bond with the same maturity), or a default or downgrading of the quality of bond issuers (for example, a downgrading of their rating), the value of the debt securities in which the Fund is invested may drop, and cause the Fund's net asset value to fall. The use of high-yield securities up to a 100% limit of the Fund's net assets may result in sharper falls in net asset value, and such securities can present a greater risk of default.

This Fund must therefore be considered as speculative, and is specifically intended for investors who are conscious of the risks inherent in investing in securities whose rating is low or non-existent.

Inherent discretionary management risk: The discretionary management style is based on forecasting changes in the various markets. This implies a risk that the Fund may not be invested in the best-performing markets or financial instruments at all times.

Interest-rate risk: Interest-rate risk is the risk that bond-market rates may increase, thereby causing bond prices to fall and reducing the Fund's net asset value. A rise in interest rates may negatively affect performance for an indefinite period; similarly, if the portfolio's sensitivity is negative, a drop in interest rates may have a negative impact on performance for an unspecified period. This phenomenon may cause the net asset value to fall. The Fund's sensitivity to interest rates may fluctuate between 0 and 6. Such interest-rate risk may cause the net asset value to fall.

Risks linked to investing in emerging markets: The fund may be exposed to some securities incurring a higher degree of risk than that usually associated with investments on the main financial markets, due in large part to local political and/or regulatory factors. The legal framework of some countries in which the underlying UCITS and investment funds might invest may not offer investors the same guarantees in terms of protection or information as those usually offered by the main financial markets. The securities issued on some emerging markets may be significantly less liquid and more volatile than those issued on more mature markets. In this respect, the liquidity of emerging country securities is more restricted than developed country securities; as a result, holding such securities may increase the portfolio's level of risk. Market declines can be more sudden and more pronounced than in developed countries, potentially causing the fund's NAV to fall faster and more significantly.

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

Third-party Distribution – Tel. +33 (0)1 40 17 23 09
Institutionals Europe – Tel. +33 (0)1 40 17 23 44
International Development – Tel. +33 (0)1 40 17 27 04

www.edram.fr