

# EDMOND DE ROTHSCHILD PRIFUND DEFENSIVE STRATEGY

« An investment solution tailored to market uncertainty and today's low interest rates environment »

## KEY POINTS

- ▶ A flexible asset allocation fund with a defensive profile
- ▶ The fund's strategy brings together the Edmond de Rothschild Group's expertise in asset allocation and its skill in picking the best traditional or alternative investment vehicles
- ▶ An approach which combines momentum on international financial markets with a strategy designed to optimise the risk/return profile through alternative investment solutions
- ▶ Dynamic management of portfolio allocation based on a risk indicator

## A FLEXIBLE ASSET ALLOCATION FUND WITH A CAUTIOUS PROFILE

The fund seeks to capture opportunities on global financial markets while limiting portfolio risk by:

- ▶ **making dynamic asset allocation choices** geared to prevailing market risk levels,
- ▶ **choosing the most appropriate investment vehicles.**

The fund seeks average annual returns of between 1% and 3% net of fees throughout an economic cycle

## WHY CHOOSE PRIFUND DEFENSIVE STRATEGY?

With European interest rates still at historic lows, investors are looking to boost their investments.

Bonds, and especially government bonds, used traditionally to form the bedrock of conservatively-run portfolios.

But the situation has changed: after a period of 'risk-free yields', bond investors are now faced with 'risk without yields' as well as worries of an approaching wave of interest rate hikes. Finding the right balance between attractive portfolio yields and limited risk has become tricky.

**Thanks to its various performance drivers and its defensive profile, Edmond de Rothschild Prifund Defensive Strategy is the appropriate solution to this problem.**

## RISK CONTROL AND THE QUEST FOR PERFORMANCE ARE CENTRAL TO OUR INVESTMENT PROCESS

Why Edmond de Rothschild Prifund Defensive Strategy stands apart:

- ▶ **Asset allocation expertise:** the fund embodies the cautious asset allocation strategy deployed by experts at Edmond de Rothschild (Switzerland) S.A., with constant analysis of the financial and economic environment.
- ▶ **Numerous sources of performance:** as it can tap into opportunities across all asset classes and geographical zones.
- ▶ **Portfolio risk actively managed:** exposure to risk assets can be reduced if necessary, or increased to benefit from favourable trends.
- ▶ Investments in **funds with strong value added:** the fund enjoys expert input from the Edmond de Rothschild Group's multi-manager team so as to assess markets via the most appropriate funds.
- ▶ **An alternative envelope which seeks to limit volatility and ensure steady returns:** up to 20% of the fund is invested in alternative investment strategies.

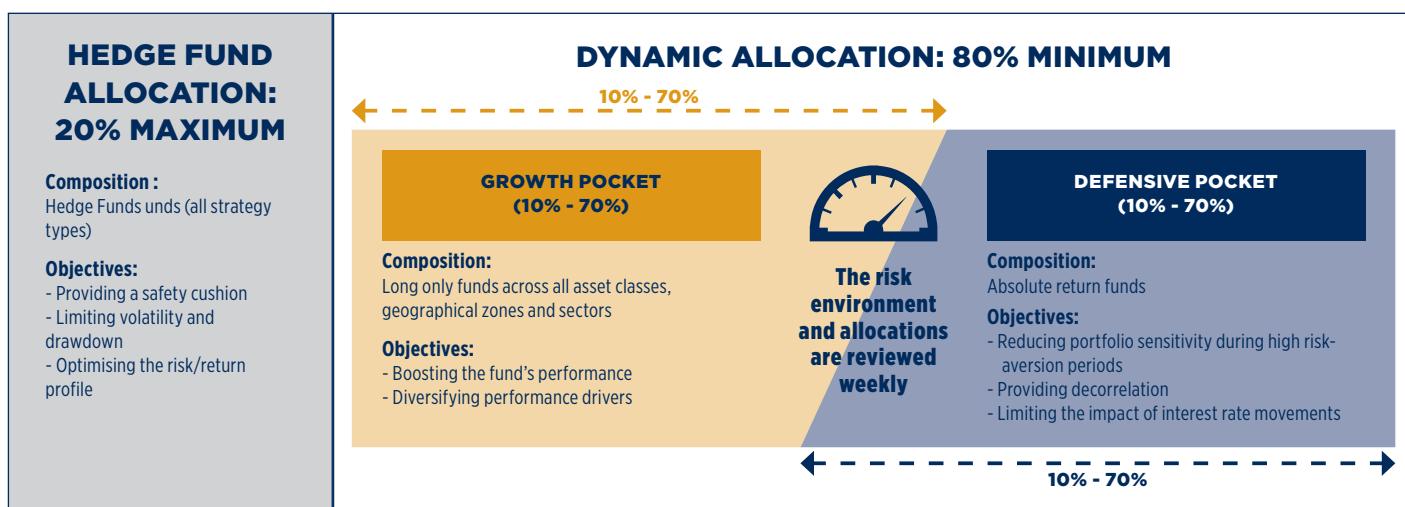
## AN OPTIMAL BLEND OF COMPLEMENTARY STRATEGIES

The fund comprises two investment buckets:

- ▶ A **Hedge Fund Allocation** (maximum 20% of the portfolio) invested in all alternative strategy types. This seeks to reduce overall portfolio risk and deliver relatively steady returns while keeping volatility under control.
- ▶ A **dynamic allocation** (minimum 80% of the portfolio) which breaks down into 2 pockets:
  - A **growth pocket** (10-70%) to drive overall portfolio returns.

- A **defensive pocket** (10-70%) which primarily comprises **absolute return funds**. It seeks to provide some decorrelation with major market trends, especially when interest rates are rising, and reduce the portfolio's sensitivity during high risk-aversion phases.

Allocation between both pockets is **dynamically managed** using a specific risk indicator which condenses market, credit, fund flow and market sentiment trends, etc. from more than 50 indices, providing a quantitative assessment of **market risk aversion levels** and helping to determine each pocket's weighting.



## COMPARTMENT RISK PROFILE

Due to its risk/return profile, the fund is ranked in risk class 3. Main investment risks: Equity risk, counterparty risk, market risk, exchange rate risk, interest rate risk, liquidity risk, evaluation risk from the use of derivatives.

## FUND INFORMATION

**Legal form:** SICAV Part II

**Inception date:** October 2016

**ISIN code**

**A CHF share:** LU1506442919

**A € share:** LU1506442679

**A \$ share:** LU0327597182

**B CHF share:** LU1506443057

**B € share:** LU1506442752

**B \$ share:** LU0327597349

**Distribution of income**

**A share:** capitalisation

**B share:** distribution

**Subscription fees:** 5% max.

**Redemption fees:** 0,5% max.

**Management fees:** 0,75% max.

**Custodian bank's fee and administrative agent's fee:** 0,24% max.

**Subscription tax:** 0,05%

**Performance fees:** None

**Cut-off time for subscriptions/redemptions:** Each NAV calculation day before 11 a.m CET based on the day's NAV and calculated on the following business day (Luxembourg time)

**Minimum initial subscription:** None

**Manager:** Edmond de Rothschild (Switzerland) S.A.

December 2016.

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