



EDMOND DE ROTHSCHILD TRICOLORE RENDEMENT (C) / (D)

EdR Tricolore Rendement (C) / (D)

FRENCH VALUE EQUITY FUND



EDMOND DE ROTHSCHILD ASSET MANAGEMENT

EQUITY

MORNINGSTAR™ Ranking (30/11/2011) ★★★★★

Fund size : EUR 1 736,09 mil.

GENERAL INFORMATION

Investment objective

The Fund actively selects attractively-priced French stocks that offer an above-average dividend yield. The Fund is intended as a wealth management vehicle, combining defensive securities (at least 50%) and cyclical stocks (up to 50%).

Monthly comment



Concerted action by central banks worldwide early in December, a new European summit, an arsenal of non-conventional weapons intended by the ECB to limit liquidity risks and credit tightening, and more! All the same, none of the initiatives taken by the monetary and political authorities has made it possible to fully restore investor confidence. Some positive economic indicators (mainly from the United States and Germany) have provided a modicum of support. Nevertheless, a growing tide of profits warnings and asset write-offs testifies to a cyclical slowdown and structurally weaker growth. These, however, seem already to have been fully priced into market valuations and justify the portfolio's current composition. Almost fully invested, primarily in defensive stocks, the fund is making a gradual return into cyclical when the discount seems to offer sufficient protection. Within the defensive compartment, movements have been made to lower the fund's domestic bias (reducing positions in GDF Suez, Vinci and France Telecom – all the more keenly after the dividend cuts announced by Telefonica and Telekom Austria). We have also initiated a line in ENI to complement the position in Total that concentration ratios oblige us to trim down (this is the case with Sanofi Aventis and Vivendi, too). Among our discounted cyclicals, the position in Cap Gemini has been reduced in favour of STMicroelectronics.

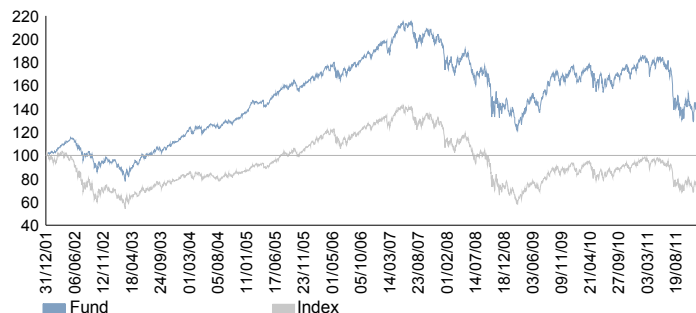
PERFORMANCES

Benchmark (Index) : SBF 120 (EUR)

Market benchmark (NR index) : SBF 120 (NR) (EUR)

Index : Benchmark specified in the prospectus, dividend not reinvested. - NR index: Market index corresponding to the benchmark, dividend reinvested.

Performance chart (from 31/12/01 to 30/12/11)



Performances (Rolling periods)

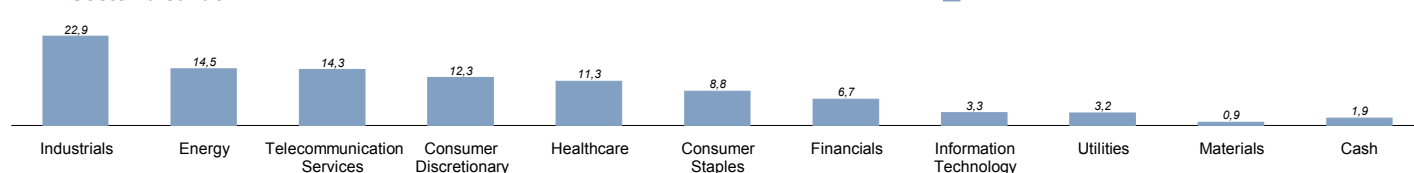
	1 month	3 months	6 months	YTD	1 year	3 years	Annualized since inception
Fund	0,75	4,70	-20,54	-16,43	-16,43	0,77	7,63
Index	0,13	5,14	-20,13	-16,21	-16,21	3,74	-0,22
NR Index	0,33	5,54	-19,51	-13,68	-13,68	14,46	2,22

Risk indicators (Rolling periods)

	Volatility		Tracking error		Sharpe ratio	
	52 weeks	3 years	52 weeks	3 years	52 weeks	3 years
Fund	25,58	17,74	4,28	4,65	-0,68	-0,02
Index	27,41	20,49	-	-	-0,62	0,03

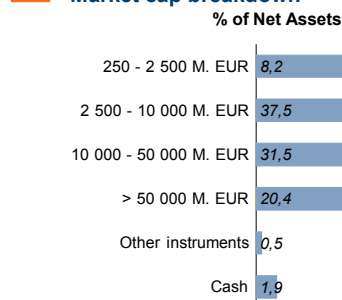
PORTFOLIO

Sector breakdown *



* Carried out after breaking down the underlying LCF Rothschild Group funds.

Market cap breakdown *



Top holdings

5 Main holdings (Number of holdings : 37)

	Sector	% of Net Asset
VIVENDI SA	Telecommunication Services	9,7
SANOFI-AVENTIS SA	Healthcare	9,7
TOTAL SA	Energy	9,7
FRANCE TELECOM SA	Telecommunication Services	4,6
VINCI SA	Industrials	4,6
Total		38,3

Financial data * (weighted averages)

	PE 2012	PE 2013	EPS var. 2012/2013	PCF 2012	PBV 2012	Yield 2012
	9,3	8,3	5,7	5,2	1,1	5,7

PERFORMANCE TRACK RECORD

Net performance

		Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual
2007	Fund	2,16	-1,87	3,71	3,84	3,59	-0,54	-3,23	-1,32	0,55	1,88	-2,87	-1,13	4,49
	Index	1,38	-1,52	2,62	5,20	2,36	-1,16	-4,83	-1,71	0,67	2,50	-3,61	-1,10	0,34
2008	Fund	-10,13	-0,25	-1,14	4,37	1,86	-9,26	-0,49	2,57	-7,79	-8,11	-2,12	-0,97	-28,33
	Index	-13,26	-1,38	-1,82	6,16	0,49	-11,67	-1,34	2,30	-10,22	-14,29	-6,28	-1,19	-43,08
2009	Fund	-5,33	-6,54	2,44	10,94	3,96	-4,03	6,51	5,93	4,36	-5,01	1,35	5,84	20,37
	Index	-6,95	-9,02	3,72	12,92	3,62	-3,81	9,07	6,71	4,44	-5,09	1,61	6,83	23,73
2010	Fund	-2,28	-2,07	5,50	-1,30	-5,13	-2,98	4,34	-3,02	4,55	4,25	-5,21	4,49	0,17
	Index	-4,20	-0,65	7,27	-3,34	-7,78	-1,86	5,81	-3,95	6,59	3,34	-5,29	5,67	0,06
2011	Fund	5,03	1,33	-2,58	2,77	0,18	-1,48	-7,67	-9,74	-8,93	7,11	-2,98	0,75	-16,43
	Index	4,61	2,63	-2,64	2,96	-1,93	-0,60	-7,07	-10,60	-8,56	8,15	-2,91	0,13	-16,21



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MAIN MOVEMENTS OF THE MONTH

New positions

ENI SPA

Strengthened positions

GROUPE EUROTUNNEL REGRO
STMICROELECTRONICS NV

Sold

No position exited

Reduced

FRANCE TELECOM SA
SANOFI-AVENTIS SA
TOTAL SA
VIVENDI SA
VINCI SA

PERFORMANCE ANALYSIS

Top 5 positive performers

(from 30/11/11 to 30/12/11)

	Av. weight	Contribution
SANOFI-AVENTIS SA	9,83	0,84
TOTAL SA	9,69	0,42
LAGARDERE SCA	3,39	0,42
THALES SA	4,08	0,23
CGG VERITAS	3,62	0,23

Top 5 negative performers

(from 30/11/11 to 30/12/11)

	Av. weight	Contribution
CARREFOUR SA	2,90	-0,34
FRANCE TELECOM SA	5,10	-0,31
CAP GEMINI SA	1,93	-0,30
ALSTOM SA	2,41	-0,23
NATIXIS	1,98	-0,20

YIELD / RISK

Risk indicators (Rolling periods)

	52 weeks (week. yield)	3 years (month. yield)	5 years (month. yield)
Volatility	25,58	17,74	16,63
Tracking error	4,28	4,65	5,78
Information ratio	-0,05	-0,21	0,77
Sharpe ratio	-0,68	-0,02	-0,44
Alpha	-0,03	-0,08	0,20
Bêta	0,92	0,85	0,80
R2	0,94	0,91	0,89
Correlation ratio	0,97	0,95	0,94

Net yield analysis

	Since inception (month. yield)
Earnings rate	65,70
Max. drawdown	-21,94
Maxi. profit	13,98
Payback period	347 day(s)

FUND CHARACTERISTICS

Share characteristics

Net asset value (EUR) :
Share issue date :
ISIN code :
Bloomberg code :
Lipper code :
Telekurs code :
Distribution :
Latest coupon :

C Share

199,46
04/12/1998
FR0010588343
TRICREC FP
60040541
3817834
None, Accumulation
-

D Share

153,90
08/10/1999
FR0010588350
TRICREN FP
60041142
3817878
Distribution
5,30 am 15/12/2011

Fund characteristics

Legal status

Fund inception date : 04/12/98
Fund domicile : French

AMF category : French equity

Recommended investment period : > 5 years

Functionality

Management Company : Edmond de Rothschild Asset Management

Valuation : Daily

Administration : CACEIS-Fastnet

Decimalised : 3 decimals

Custodian : L.C.F.E.D.R.B.

Initial minimum subscription : 1 Share

Subscription & redemptions conditions : Daily before 11.00 am C.E.T. on day's NAV

Management Subscription/Redemption fees

Management fees : 2%

Subscription fees : 4,5% maximum

Performance fees : no

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PRODUCT RISKS AND DISCLAIMERS

All the calculations in this document arise from accounting data for the fund, and from financial information suppliers (Thomson Financial and Bloomberg) for the indices and the characteristics of the stocks held in the portfolio. Past performances, rankings, prizes, ratings, statistics and data are not a reliable indicator of future performances, rankings, prizes, ratings, statistics and data. Performance data does not take into account fees and expenses on the issue or redemption of shares, or taxes levied by the client's country of residence.

The fund's investment policy does not provide a correlation between the fund and the index mentioned. Therefore, the fund's performance may differ from that of the index.

When the figures given in this document are in a currency other than that of the country in which the client is resident, the gains or losses accruing to the client may be further increased or reduced by fluctuations in foreign exchange rates.

Any particular tax treatment associated with a product may depend on the individual situation of the client and may be changed in the future.

This document has been prepared exclusively for information purposes. It shall not be construed as part of any canvassing activity or any offer of securities or of investment advisory services.

The above-mentioned fund is intended exclusively for sale to persons resident in the countries in which it is registered. It may not be sold or marketed in any jurisdiction other than that of the countries in which it is registered.

No fund may be offered to a person if proscribed by the law of their country of origin or any other country with respect to that person or the product concerned.

Residents of the United States and United Kingdom: These products and services may not be sold or distributed in the United States or any of its territories or possessions, or distributed to US citizens or legal persons. Nor may they be sold or distributed to citizens of the United Kingdom.

Under current regulations the Fund may only be sold and marketed to professional or institutional clients or those deemed qualified and comparable or within the scope of a private placing in the following country(ies): Chile, Singapore

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Edmond de Rothschild Asset Management recommends that all interested parties take prior measures to ensure that they are entitled to subscribe in the abovementioned fund.

The data, comments and analyses in this presentation reflect the opinion of Edmond de Rothschild Asset Management with respect to the markets and their trends, regulation and tax issues, on the basis of its own expertise, economic analyses and information currently known to it. However, they shall not under any circumstances be construed as comprising any sort of undertaking or guarantee whatsoever on the part of Edmond de Rothschild Asset Management.

We would like to remind you that the principal risks inherent in this fund are the following:

Capital loss risk, discretionary management risk, equity risk, fixed income and credit risk, foreign exchange risk currency, risk on shares in the fund denominated in a currency other than that of the fund.

The description and details of these risks are stated in the fund's full prospectus. The product documents (full and summary prospectus, annual and semester report) are available on request from Edmond de Rothschild Asset Management and/or from the local regulatory authorities in the countries in which they are registered, and/or from the website (<http://www.edram.fr>), so that the potential investor may analyse the risks and establish his or her own opinion independent of EdRAM, and where necessary, take specialist advice regarding such questions, and especially in order to determine the relevance of such investment to his or her own financial situation.

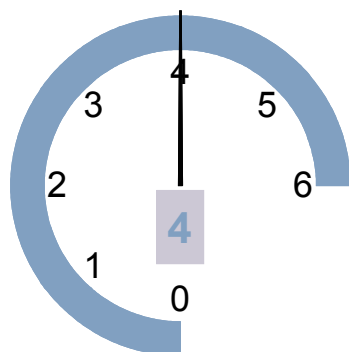
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RISK SCALE

BEAMA Risk



For more details, cf BEAMA methodology

GUISE Risk

extremely high
very high
high
low
very low



HISTORICAL DATA

Benchmark modification history

From 28/03/2002	SBF 120 (EUR)
From 04/12/1998	SBF 120 (open price) (EUR)

Coupons distributed

	Date	Amount
Interest	15/12/2011	5,30
Interest	21/12/2010	7,39
Interest	18/12/2009	4,73
Interest	19/12/2008	4,22
Interest	13/12/2007	5,41
Interest	13/12/2006	2,68
Interest	14/12/2005	2,32
Interest	10/12/2004	1,97
Interest	12/12/2003	2,26
Interest	16/12/2002	2,08
Interest	14/12/2001	2,37
Interest	14/12/2000	2,12
Interest	14/12/1999	1,89



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DEFINITIONS

The **PERFORMANCE**, often expressed as a % makes it possible to measure the capital gain or loss of an investment over a period (10% = gain of 10 units for every 100 invested). Performance can also be expressed per annum. This is equivalent to extrapolating the performance of a fund over any period to a one-year period. In either case, a loss is indicated by a negative percentage and a gain by a positive percentage.

The **VOLATILITY** of a security is the difference between performance and average performance and therefore makes it possible to gauge the consistency of performance obtained. It comprises a measure of risk. If this is zero, the individual performances are identical. The higher it is, the greater the difference between individual performances.

The **TRACKING ERROR** shows the volatility of a fund's relative performance against that of its benchmark. It shows the difference between performances and their average and so makes it possible to gauge the consistency of relative performance. The lower the tracking error, the closer the fund's performance is to that of its benchmark.

The **INFORMATION RATIO** represents the relative performance obtained by the fund manager for each agreed volatility point in comparison with the benchmark. To some degree, it is this measurement that makes it possible to establish whether the additional risk taken by the fund manager is, in comparison with the benchmark, rewarding or otherwise.

The **ALPHA** corresponds to the fund's average performance. More specifically, it measures the fund managers' added value while cancelling out market influence, which cannot be controlled. This measure is expressed as a percentage.

The **SHARPE RATIO** shows the fund's outperformance against a zero-risk interest rate (the Eonia, in this case), adjusted for fund volatility.

The **BETA** measures the market's influence (represented by a benchmark) on the performance of a fund. It shows the average variation of the fund's NAV, for each variation of 1% in the benchmark. If beta is 0.8, this means that for each 1% movement in the benchmark, the fund moves 0.8%.

The **CORRELATION COEFFICIENT** defines the direction and degree of dependence between two variables. It ranges from -1 to +1. Positive correlation means that the benchmark and the fund move in the same direction, negative correlation means that they move in opposite directions. When correlation is close to zero, the benchmark's influence on the fund is very low.

The **R2** or the **DETERMINATION COEFFICIENT** measures to what extent variations in fund performance are explained by variations in the benchmark. Mathematically, it is the square of the correlation coefficient. It always has a value of between 0 and 1.

The **GAIN FREQUENCY** represents the percentage of positive returns for a defined frequency.

The **MAX GAIN** represents the maximum return recorded from a series of periodic return payments.

The **MAX DRAWDOWN** is the maximum loss recorded over a series of periodic returns.

The **PAYBACK PERIOD** measures the time required to recover the maximum drawdown. It is often expressed in days or months. Payback begins with the return paid following the maximum loss.

The **PE** = Price Earnings. This ratio is equivalent to the ratio between the price of a share and the earnings per share. It is also known as the Earnings Capitalisation Multiple. The result is the weighted average of the PE of the securities in the portfolios.

The **VAR EPS** = Variation in Earnings Per Share. The result is the weighted average of the VAR EPS of the securities in the portfolios.

The **PCF** = Price to Cash Flow. This is the ratio between the price of a share and the cash-flow generated per share (Cash flow per share). The result is the weighted average of the PCF of the securities in the portfolios.

The **PBV** = Price to Book Value. This ratio is equivalent to the ratio between the price of a share and the book value of its equity. The result is the weighted average of the PBV of the securities in the portfolios.

The **YIELD** = This ratio is the ratio of dividend per share and share price. The returns are gross before deduction of taxes and shall take into account tax credits, if any. For example, for French and German companies, tax credits are included. In Singapore and Malaysia, the company returns are based on net dividends after corporate taxes. For a fund, the performance equals the weighted average yields of all portfolio holdings which have seconded a dividend. This ratio is expressed in % per year.



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METHODOLOGIES

Statistical calculations:

Statistical calculations are established on a monthly return basis for periods exceeding two years, and on a weekly return basis for periods below two years. The reference indicator is the benchmark mentioned in the product prospectus.

When indicators refer to the zero-risk interest rate, the Eonia is employed.

Calculating simple yield return on a series:

Returns are calculated on the basis of monthly or weekly increments and are not normalised.

Monthly return in % = $(V_{Lm}/V_{Lm-1} - 1) * 100$

V_{Lm} = Month-end value

V_{Lm-1} = Month-end value for preceding month

Treatment of coupons:

All results for performance or returns include the coupons that could be detached over the life of the fund in the calculation period. These coupons are included in the performance calculation as of the detachment date.

Perf. cps included = $[1 + (\text{Perf}\%/100)] * [1 + (\text{CpN}/V_{L} \text{ ex cp})] - 1$

Perf% = Performance as a percentage between two dates

CpN = Net value of the detached coupon

$V_{L} \text{ ex cp}$ = 1st Net asset value after detachment of coupon

Therefore a Fund with a capital (C) will perform identically to a fund with a capital (D) regardless of the time of the calculations. This is due to the recapitalization of (D) coupons on the date that performance calculations and statistics were posted.

Financial data:

The financial ratios above are calculated on the basis of broken down portfolios for funds of funds, and on the basis of direct lines for other funds. Source: Thomson I/B/E/S consensus is used in these calculations. For Japan and India (regions), financial data for year N is calculated on the basis of the fiscal year running from March N to March N+1 (E.g. PE2009 = March 2009 to March 2010). For all other regions financial data is calculated on the basis of the calendar year running from December N to December N+1 (e.g. PE2009 = December 2009 to December 2010)

The BEAMA (Belgian asset manager's association/Belgische Vereniging van Asset Managers) risk classification is based on an annualised standard deviation calculated from a series of monthly returns obtained over the last five years or over a shorter period if the product has existed for less than five years. For products of less than one year, the annualised standard deviation is based on monthly returns over the last five years of the representative investment benchmark as stated in the full and short prospectus.

There are seven risk classes:

Class 0: 0% = standard deviation = 2.5%; Class 1: 2.5% = standard deviation = 5%; Class 2: 5% = standard deviation = 10%

Class 3: 10% = standard deviation = 15%; Class 4: 15% = standard deviation = 20 %; Class 5: 20% = standard deviation = 30%;

Class 6: 30% = standard deviation

An asset's class may change over time. It shall be changed when, for two consecutive six-month periods, a product's risk class is different from that initially attributed to it. For more information please consult the most recent update of the Belgian Circular.

The GUISE indicator represents the payment that the investor hopes to receive if the price of the investment changes in a negative manner. It answers the question, 'How much would the product pay, on average, in the worst 10% of the scenarios' It is a risk measurement derived from Expected Shortfall (i.e. Average loss from a given threshold, also known as ELVaR). The GUISE indicator represents the average payment expected in the event of the negative contingencies, whereas the Expected Shortfall gives the average loss.

The GUISE indicator is expressed as a percentage of the amount invested. There are five risk categories:

Level 1: Very low risk (Zeer Klein): The sum invested is fully guaranteed.

Level 2: Low risk (Klein): Guaranteed payment of 80% or more of the sum invested and GUISE indicator is over 95%.

Level 3: High risk (Vrij Groot): Less than 80% of the sum invested is guaranteed and the GUISE indicator is over 90%.

Level 4: Very high risk (Groot): GUISE indicator is between 75% and 90%.

Level 5: Extremely high risk (Zeer Groot): GUISE is below 75%.

Note: If the GUISE indicator is above 90% the risk is Level 3. However, if the product is not guaranteed, the risk will be very high and ranked at Level 4.