

Edmond de Rothschild Investment Managers

Investment Strategy 2010

Introduction

Guillaume POLI

Chairman of the Executive Committee

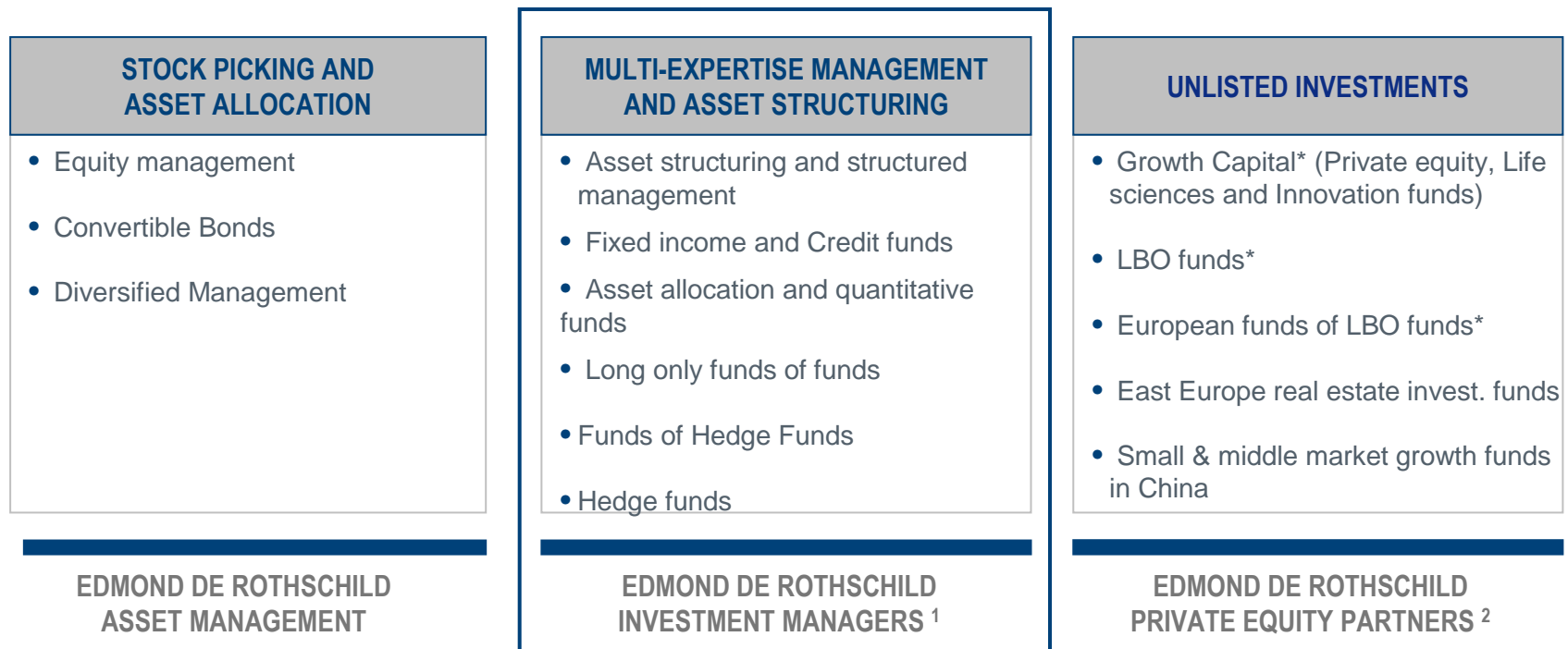
Edmond de Rothschild Investment Managers



EDMOND DE ROTHSCHILD
INVESTMENT MANAGERS

Edmond de Rothschild Investment Managers, the multi-expertise asset management division

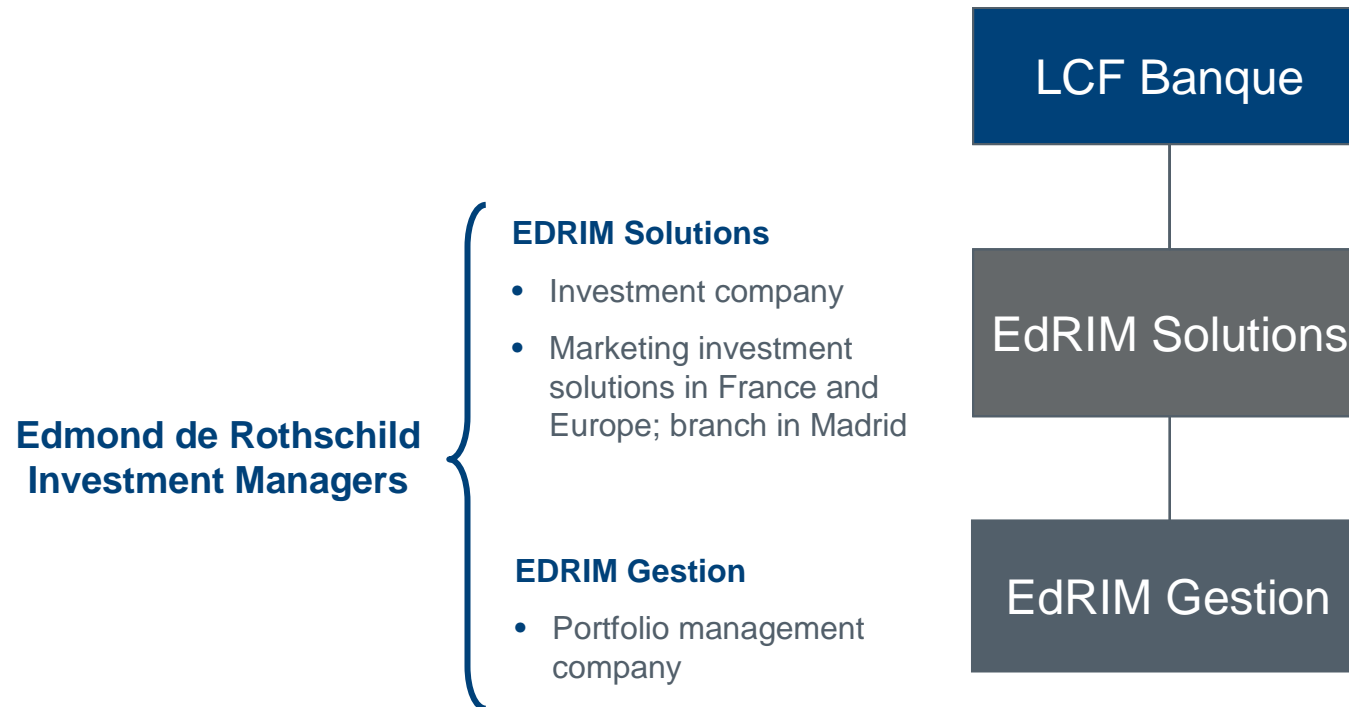
Designing investment solutions aimed at **diversifying investment portfolios, safeguarding performance and limiting risk.**



Nearly EUR 9bn under management
at 30/11/09

- (1) Edmond de Rothschild Investment Managers is the trade mark for the overall entity comprising EdRIM Solutions and EdRIM Gestion.
- (2) Edmond de Rothschild Private Equity Partners is the holding company for Edmond de Rothschild Investment Partners (Development Capital), Edmond de Rothschild Capital Partners (growth LBOs) and Edmond de Rothschild Private Equity Select LLP (Funds of LBO funds).

Structure and Governance



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Philosophy and know-how

Allying financial engineering with structuring know-how, our teams focus on the creation and development of investment solutions that aim to generate **consistent returns coupled with controlled volatility**.

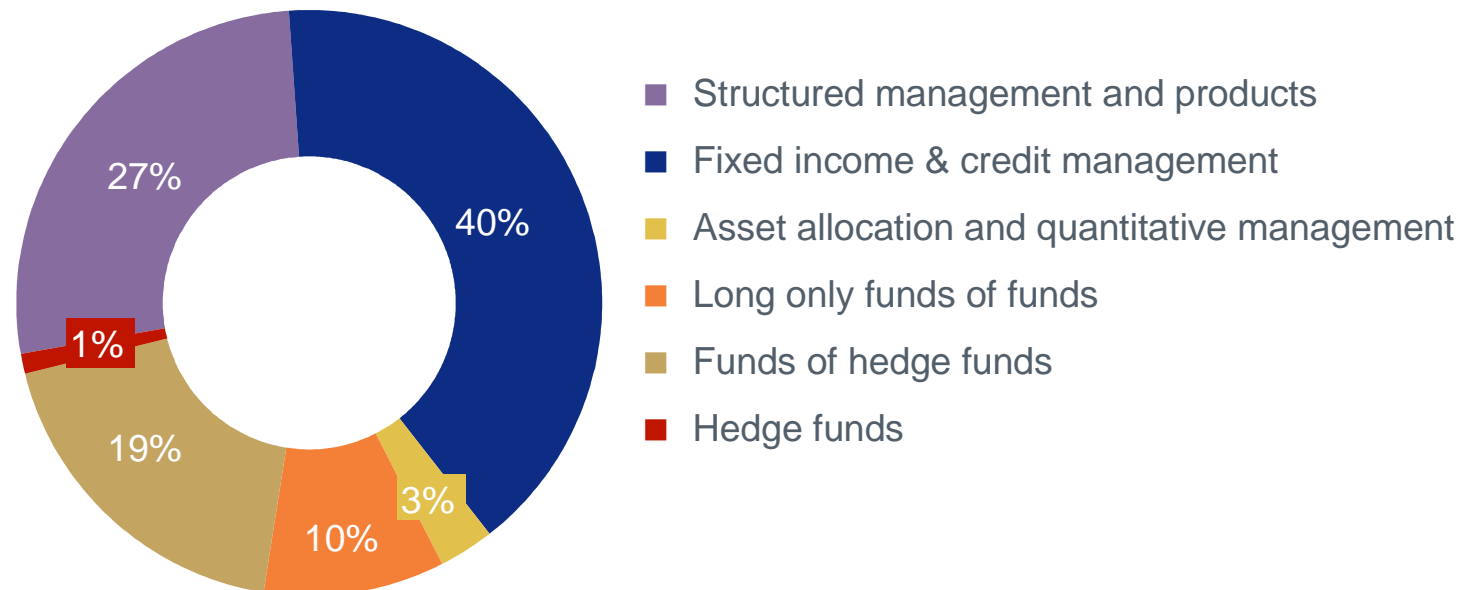
This rich blend of know-how within a single company built on a human scale makes it possible to craft transparent solutions tailored to our clients needs and providing access to every asset class.

Thanks to our strategy of relentless innovation, we can work tirelessly for the development of a product and service range that encompasses **six different fields of expertise**:

- **Asset structuring and structured management**
- **Fixed income and credit funds**
- **Quantitative asset allocation and funds**
- **Long only funds of funds**
- **Funds of hedge funds**
- **Hedge funds**

Key figures (at 30/11/2009)

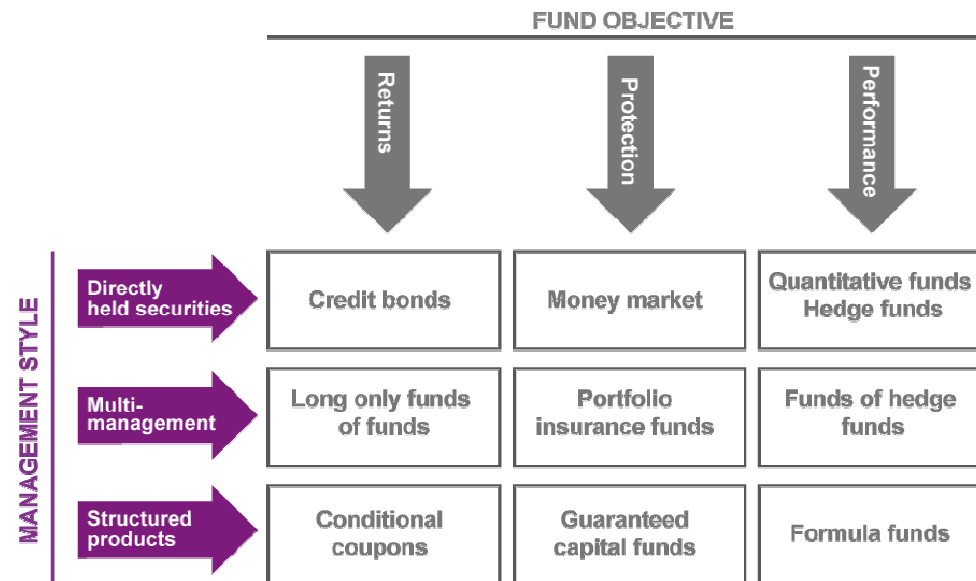
- **103 staff including 30** investment professionals dedicated to **analysis and portfolio management**.
- Nearly **EUR 9bn under management** (UCITS, mandates and structured products) for the account of private and institutional clients in France and abroad.



Source : Edmond de Rothschild Investment Managers

Multidisciplinary teams within a shared platform

→ **Multiple and tailor-made funds**, rendered possible by our unique combination of complementary skills.



→ **Ability to custom design investment solutions** that meet the objectives and respect the constraints of every type of client.

Expertise recognised in 2009 by the French market

- Edmond de Rothschild Investment Managers: **Winner of the Best asset management company in 2009** awarded by the French financial magazine *Mieux Vivre Votre Argent*.
- This prize rewarded performance in our fund range which, between mid-2008 et mid-2009, showed great resilience in the unprecedented crisis that hit the asset management industry.



Prize-winning investment management

Bond funds

Mieux Vivre Votre Argent

2007 Label Régularité
Saint-Honoré Emerging Bonds
 (Category: International bonds euro)



Lipper Fund Awards France

2007 **Saint-Honoré Obligations LT :**
 Best bond fund over 3 years



Trophées des meilleures Sicav & Fonds Le Revenu

2007 Trophée d'argent
The best bond fund range in euros over 3 years
 (Category: Specialised firms)



Victoires des Sicav "Standard & Poor's - La Tribune"

2007 Euro zone bonds (Short Term)
 N°1 : **Saint-Honoré Signatures CT**
 Euro zone bonds (1 year)
 N°2 : **Saint-Honoré Oblig Opportunités**



Grand Prix 2008 Eurofonds – Fundclass – Le Monde

2008 1st Prize France – category: Long Term Bonds
Saint-Honoré Obligations LT
 1st Prize Europe– category: Long Term Bonds
Saint-Honoré Obligations LT



Lipper Fund Awards France

2009 **Saint-Honoré Obligations LT :**
 Best Long Term bond fund in euros over 5 years



Figures refer to previous years. Past performance, chart positions, prizes, ratings, statistics and data is not a reliable indicator of future chart positions, prizes, ratings, statistics and data. This document has used the best sources but Edmond de Rothschild Investment Managers cannot guarantee that they are complete or accurate. Edmond de Rothschild Investment Managers shall in no way whatsoever be held responsible for any investment decision made on the basis of this information. .

Prize-winning investment management

Long only funds of funds

Lipper Fund Awards France



2009

Géo-Energies:
Best risk/return profile in the Natural Resources, equities category over 3 years

Lipper Fund Awards France



2006
& 2007

Multigest Rendement :
Rewarded for its risk/return profile over 5 years

Victoires des Sicav "Standard & Poor's - La Tribune"



2007

Multigest Patrimoine :
Rewarded for its performance over 1 year.

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Prize-winning investment management

Funds of hedge funds



On March 13 2008, and jointly with the Group's funds of hedge funds teams based in London and Geneva, we received the prestigious **“Group of the Year” award in New York from the Investhedge** magazine. This rewarded performance in the complete alternative range managed by these three entities in 2007.



The **Multi Alternatif Explorer M fund was also nominated twice by InvestHedge (in 2006 and 2007)** for the award of **best fund in the Commodities category**

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Ever-widening service range

Made-to-measure products that can be tailored to our client's special needs

- Institutional investors.
- Private banking.
- Distribution.

Long-serving **sales and management teams** offers

- Dedicated sales.
- Close collaboration over the long haul.
- Highly reactive response to client's requests and requirements.

A **marketing team** that is available and reactive provides

- IT systems with information feed on products and manager's convictions.
- Ongoing reflection on products, strategic positioning and the competitive environment.
- Answers to RFP.
- Access to information via our website www.edrim.fr and a personalised connection through an extranet portal.

Dedicated **reporting** team

- Issues dedicated monthly reports to provide full and transparent information.

Investment solutions adapted to key issues in 2010

Volatility

Problems

Expertise

Typical solutions



- How should I react to cash management returning next to nothing?



Short term credit management



- Gamme Millésima
- Saint-Honoré Signatures Court Terme
- QUADRIM 4 (ex RFS QUAD 4)

- How can I manage bond market exposure after the credit rally and with uncertainty on interest rate trends?



Fixed income & credit management



Saint-Honoré Bond Allocation

- Which alternative to euro fixed rate products ?



Quantitative management



QUADRIM 8



Multi management



- Multigest Rendement
- UCITS III Project funds

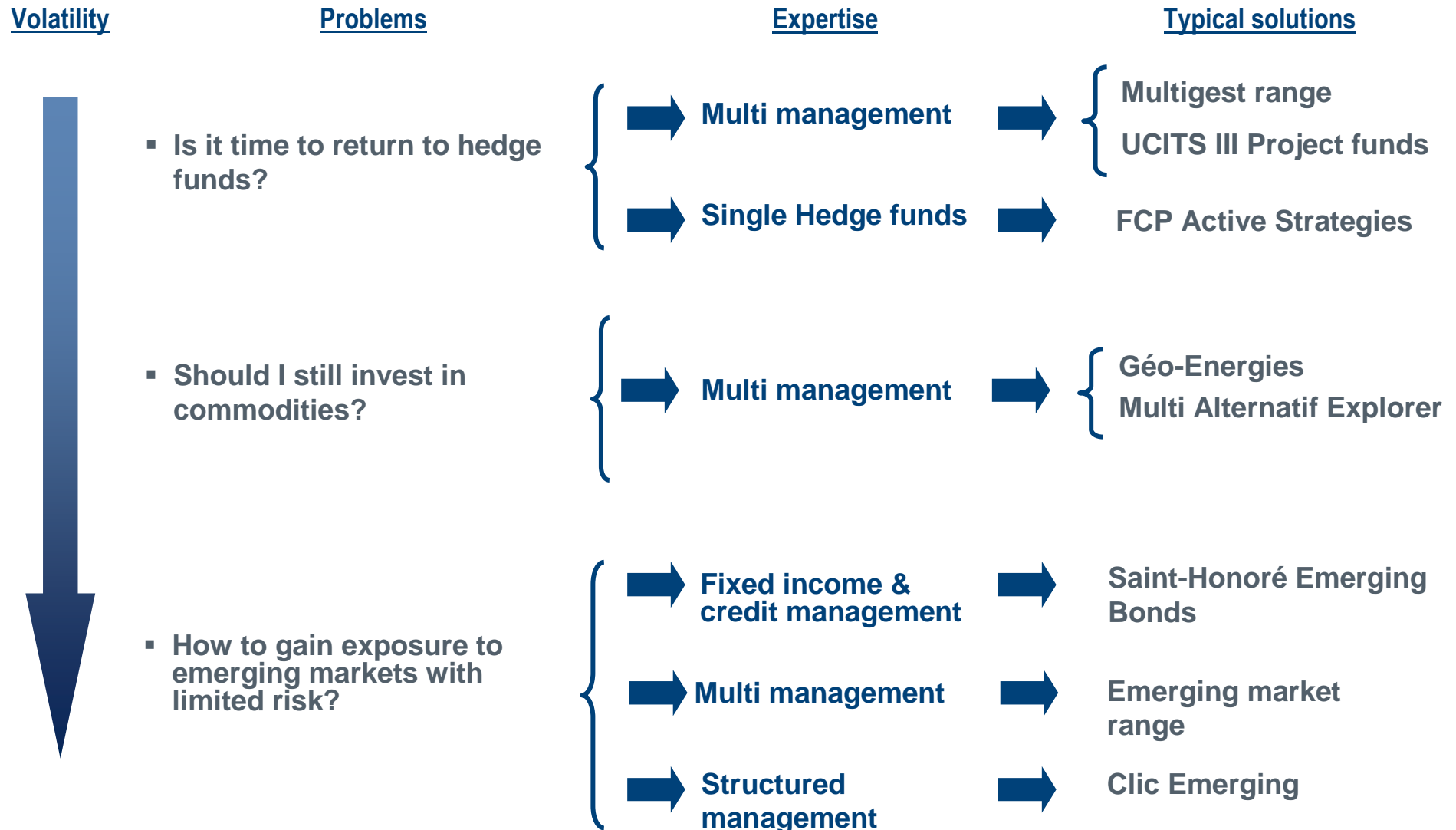


Structured products



Formula funds

Investment solutions adapted to key issues in 2010



Saint-Honoré Bond Allocation

A multi strategies bond fund

Objectives

- Outperform the composite index of 50 % Barclays Capital Euro Aggregate Corporate Total Return / 50% Barclays Capital Euro Aggregate Treasury Total Return
- Preserve capital over a medium to long term horizon

Key points

- Conviction-based management with a large tracking-error; a concentration of the best ideas of the Fixed Income and Credit team
- Important diversification of assets, strategies and sectors across all bond markets
- Modified duration is managed within a large spread (-2 ; +8)
- A product adapted to all market contexts thanks to dynamic allocation across all bond assets

Disclaimer

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Figures refer to previous years. Past performance, volatility, statistics and rankings are not a reliable indicator of future performance, volatility, statistics and rankings. Performance given is net of management charges. Performance indicated may differ from that described in Part B: calculations were not based on completed financial years.

This non-binding document is for information purposes. The data, comments and analysis in this bulletin reflect the opinion of EdRIM Gestion with respect to the markets and their trends, their regulation and tax treatment, on the basis of its own expertise, economic analysis and information currently known to it. They shall not under any circumstances be construed as comprising any sort of undertaking or guarantee whatsoever on the part of EdRIM Gestion.

The investment service is provided by EdRIM Gestion, an AMF-approved asset management company.

All potential investors should consult their service provider or advisor and exercise their own judgement independently of the Edmond de Rothschild Group on the risks inherent to each investment and its suitability to their own personal and financial circumstances. To this end, investors must acquaint themselves with the simplified prospectus for each fund which is approved by the French market authority (AMF), provided before any subscription and available at www.edrim.fr or from the head office of EdRIM Gestion. In compliance with article 314-76 of the AMF's general regulations, clients may request details on the remuneration associated with the marketing of the products herein. Data in this document is not binding nor has it been certified by the auditors. This document is for information only and is non-binding. Edmond de Rothschild Investment Managers shall in no way be held responsible for any decision based on this information. Funds of hedge funds of the French *ARIA 3* type are not subject to the same rules as UCITS that are open to all investors and may as a result be riskier. Only persons mentioned under the section "subscribers concerned" in the simplified prospectus may subscribe to shares in these funds. The subscription to, or acquisition of, shares in these funds either directly or through any third party, is reserved to investors listed in article 413-2 in the General Regulations of the French Financial Markets Authority (AMF). When subscribing for the first time, investors must state in writing that they have been duly forewarned.

Performance indicators in the hedge fund universe which are given for information purposes only may be biased (selection bias or survivorship bias) and thus may not exactly reflect the performance posted by all the funds in this universe.

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SAS à Directoire et Conseil de Surveillance au capital de 3.000.000 Euros

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