

QUADRIM 4

French Law Collective Investment Scheme | *Absolute Performance and Quantitative Asset Allocation*

An absolute return target

- ▶ Value creation in all market conditions
- ▶ A multi strategy / multi asset classes approach
- ▶ Liquidity and reactivity at the heart of our fund management process



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EDMOND DE ROTHSCHILD
INVESTMENT MANAGERS

An absolute return target

THE QUEST FOR POSITIVE PERFORMANCE IN ALL STATES OF THE MARKET

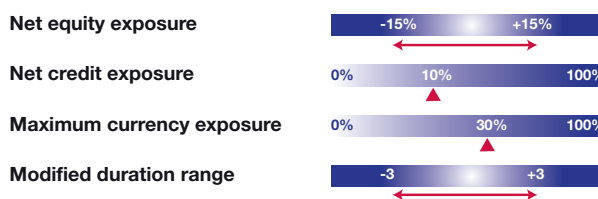
QUADRIM 4 is a fund that aims to deliver uncoupled performance from leading international markets, with a volatility limit of 4%, and recommended investment horizon of 18 months. Fund management is based on diversification at three different levels:

1. Diversification in the assets used

The broad spectrum of strategies available allows the fund manager to operate in equities, bonds and currencies. In each asset class, the fund manager opts for the most effective strategies:

- arbitrage ;
- directional exposure.

To respect the principal of uncoupling leading equity and bond markets, directional exposure remains marginal and is strictly controlled.



2. Regional investment diversification

To take advantage of market opportunities, QUADRIM 4's fund manager may invest in all international markets. The portfolio's rigorous risk control framework, however, limits emerging market exposure to 12%.

3. Strategic diversification

Markets are favourable for different strategies at different times. In order to maximise the portfolio's return in all market conditions, QUADRIM 4 uses three different groups of strategies:



• Technical strategies

Strategies running on a short term time-line, these aim to exploit certain market phenomena, for example by identifying excessive returns, and take advantage of shifts in trends. The strategies, which offer significant performance potential in extremely volatile markets, are particularly well-suited to crisis environments.

• Global Macro strategies

Medium term strategies are based on the analysis of major trends (such as inflation, growth and unemployment rates) in the business cycle in order to carry out arbitrages. They are a source of performance in all market situations.

• Value & Yield strategies

Long term strategies that seek to buy discounted assets, or in certain market conditions, take positions in high yield assets. These strategies perform particularly well in stable market conditions.

HIGHLIGHTS...

- A rugged «all terrain» investment vehicle, aimed at delivering positive performance with controlled volatility whatever market conditions
- Diversified asset classes and strategies employed
- Rigorous portfolio risk monitoring, to adapt to changing market situations
- Particular attention paid to investment liquidity

Fund type :

Balanced multi-strategies

Performance target (annual) :

Outperform EONIA capitalised

Volatility :

[0% ; 4%]

Operating region :

Global

Currency denomination :

EURO

Recommended horizon of investment :

18 months

NAV : Daily

To respect the absolute return target, the majority of strategies deployed by the fund manager are based on arbitraging.

A FUND BASED ON MODELS DESIGNED TO CAPTURE MARKET OPPORTUNITIES

Edmond de Rothschild Investment Managers has opted for a modelised management approach with the direct intervention of the fund manager-asset allocator who:

- Creates the models and develops them in close collaboration with the research & development team. He therefore knows their strengths and weaknesses.
- Can deactivate strategies based on models considered no longer relevant and may integrate discretionary management strategies depending on his analysis of market conditions.
- Conducts real-time monitoring of the portfolio structure and its adjustment, where necessary, to a changing market situation.
- Actively manages the fund's allocated risk budget.

TAILOR-MADE FUND MANAGEMENT PROCESS

- Edmond de Rothschild Investment Managers has developed an investment process that enables it to take advantage of the entire potential of the broad strategy spectrum that is available to the management team.
- In order to maximise QUADRIM 4's potential, investment decisions are:
 - First optimised;
 - Then, controlled by the manager-allocator;
 - And finally, subjected to continuous monitoring.

LIQUIDITY AT THE HEART OF OUR FUND MANAGEMENT PROCESS

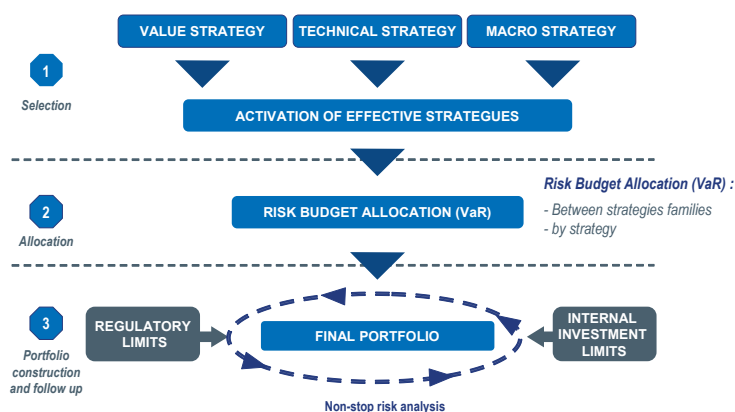
Daily liquidity is ensured in particular by the portfolio assets. The instruments employed are the most liquid and least expensive on the market, such as futures and exchange traded funds (ETF). The money market compartment is invested primarily in CDs under three months, repos and money market funds.

The liquidity of the instruments used makes it possible to adapt portfolio management very rapidly to changing market conditions and to seize new opportunities as and when they arise.

OUR MODELISED MANAGEMENT

	Asset employed			Positions	
	Equity	Government bond	Foreign exchange	Directional	Arbitrage
Value strategies	✓	✓	✓	✓	
Global Macro strategies	✓	✓			✓
Technical strategies	✓	✓		✓	✓

OUR INVESTMENT PROCESS



You can listen to the portfolio manager's commentary on every first Wednesday in the month 5.00 PM, local time in Paris, by calling +33 1 72 28 30 02, PIN code 694624#. This information is still available after that by calling +33 1 72 28 30 49, code 300177#.

Edmond de Rothschild Investment Managers, a subsidiary of La Compagnie Financière Edmond de Rothschild, is committed to managing assets and designing solutions which enable to diversify and limit the risks of an investment while maximizing performance.

It brings together specialists in fixed income, diversified management (absolute performance and quantitative asset allocation, long only funds of funds, hedge funds), funds of hedge funds, asset structuring and structured management.

Benjamin MELMAN, Fund Manager, QUADRIM 4 (15 years experience)



Since 2006 : Edmond de Rothschild Investment Managers, Director, Absolute Return and Quantitative Asset Allocation
2002 - 2006 : Crédit Lyonnais AM / Crédit Agricole AM, Head, Investment strategy
2000 - 2002 : Crédit Lyonnais AM, Head, Economic Analysis
1998 - 2000 : Crédit Lyonnais, Market economist
1995 - 1998 : CDC Gestion, Economist

CHARACTERISTICS

Legal form	French law collective investment scheme - UCITS III compliant	
AMF classification	Balanced fund	
Management company	EdRIM Gestion	
ISIN codes	C unit: FR0010459693 E unit: FR0010773598 P unit: FR0011050400	I unit: FR0010471136 S unit: FR0010773614 U unit: FR0011050418
Minimum recommended investment duration	18 months plus	
Net asset value	Daily	
Subscription/redemption orders	Every day, before 11 a.m. (Paris time)	
Min. initial subscription	C unit: 1 000 € E unit: 1 share P unit: 1 000 \$	I unit: 50 000 € S unit: 10 000 000 € U unit: 50 000 \$
Initial NAV	C unit: 500 € E unit: 100 € P unit: 100 \$	I unit: 5 000 € S unit: 10 000 000 €* U unit: 1 000 \$

* S unit NAV was divided by 10 000€ on 2010/01/22

FEES & COMMISSIONS

	C unit	I unit
Subscription fee (not attributed to fund)	3% max.	None
Redemption fee	None	None
Management fee (fixed)	Max. 1.25% includ. VAT	Max. 0.75% includ. VAT
Performance fee	20% of performance in excess of EONIA	20% of performance in excess of EONIA
	E unit	S unit
Subscription fee (not attributed to fund)	3% max.	None
Redemption fee	None	None
Management fee (fixed)	Max. 1.50% includ. VAT	Max. 0.50% includ. VAT
Performance fee	20% of performance in excess of EONIA	20% of performance in excess of EONIA
	P unit	U unit
Subscription fee (not attributed to fund)	3% max.	None
Redemption fee	None	None
Management fee (fixed)	Max. 1,25% includ. VAT	Max. 0,75% includ. VAT
Performance fee	20% of performance in excess of Federal Funds Effective Rate	20% of performance in excess of Federal Funds Effective Rate

POTENTIAL INVESTMENT RISKS

Capital loss risk, modelling risk, discretionary management risk, risk associated with arbitrage strategies, risk associated with equity markets, interest rate risk, risks associated with investment in emerging markets, currency risk, credit risk, liquidity, risks inherent in the use of derivative instruments.

For a complete list of risks, please refer to the prospectus available online at www.edrim.fr or on request from the registered office of EdRIM Gestion.

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