

# QUADRIM 4

French Law Collective Investment Scheme | **Balanced**

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## 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

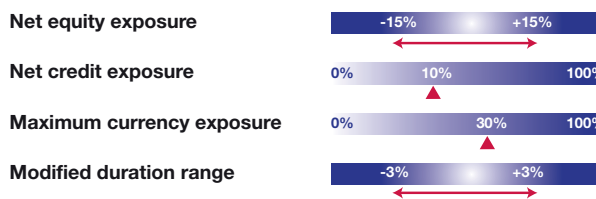
QUADRIM 4 is a fund that aims to deliver uncoupled performance from leading international markets, with a volatility limit of 4%, and recommended investment horizon of four years. Fund management is based on diversification at three different levels:

### 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.

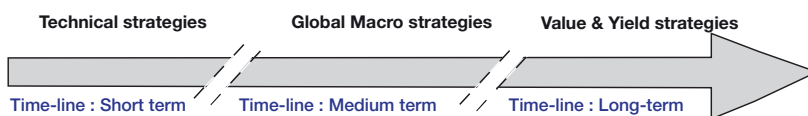


### 2. Regional investment diversification

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 :

4 years

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.

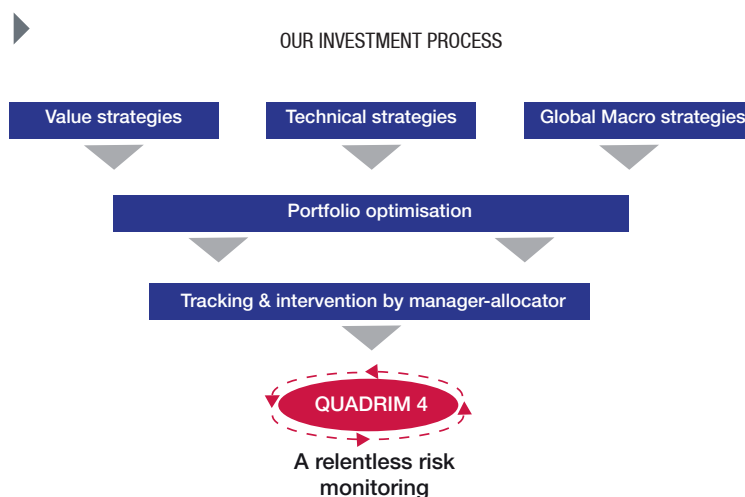
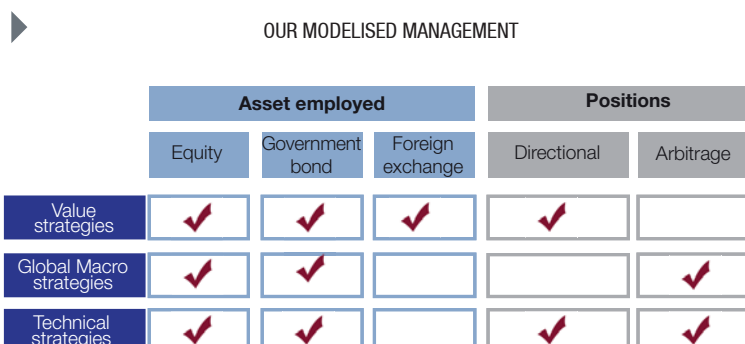
## TAILOR-MADE FUND MANAGEMENT PROCESS

- 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.



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 is La Compagnie Financière Edmond de Rothschild's multi expertise and asset structuring investment management entity. It brings together specialists in fixed income and credit management, asset allocation, absolute performance research (hedge funds and quantitative management), alpha selection (long only funds of funds and funds of hedge funds) and capital preservation (asset structuring and structured management).

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



**Since 2006** : Edmond de Rothschild Investment Managers, Director, Quantitative asset allocation and management

**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

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

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

## FEES & COMMISSIONS

	<b>C unit</b>	<b>I unit</b>
<b>Subscription fee (not attributed to fund)</b>	3% max.	None
<b>Redemption fee</b>	None	None
<b>Management fee (fixed)</b>	Max. 1.25% includ. VAT	Max. 0.75% includ. VAT
<b>Performance fee</b>	20% of performance in excess of EONIA	20% of performance in excess of EONIA

	<b>E unit</b>	<b>S unit</b>
<b>Subscription fee (not attributed to fund)</b>	3% max.	None
<b>Redemption fee</b>	None	None
<b>Management fee (fixed)</b>	Max. 1.50% includ. VAT	Max. 0.50% includ. VAT
<b>Performance fee</b>	20% of performance in excess of EONIA	20% of performance in excess of EONIA

## 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.

Written on 2010/01/22. Edmond de Rothschild Investment Managers is the trade mark for the overall entity which comprises EdRIM Solutions et EdRIM Gestion. The fund mentioned in this material is solely intended for distribution to retail investors and for sale to institutional investors in France, Italy and Spain. This document is provided for information purposes only and is not legally binding. Quoted figures relate to previous years. Past performance is not an indicator of future performance. The figures, commentaries and analysis in this document reflect the views of the Edmond de Rothschild Group or EdRIM Gestion as regards the markets, their movements, their regulation and their taxation, taking into account the companies' expertise, economic analysis and information held at the present time. They shall not be construed in any way whatsoever as an undertaking or guarantee on the part of the Edmond de Rothschild Group or EdRIM Gestion. The Fund will be managed by EdRIM Gestion, an asset management company approved by the AMF. All potential investors must consult their investment service provider or advisor in order to form their own opinion as to the risks inherent in each investment, independently of the Edmond de Rothschild Group, and on whether the risks are appropriate to their own financial and personal situation. Potential investors must familiarise themselves with the simplified prospectus authorised by the AMF of the fund which is provided to them prior to investment and which may be obtained from the website [www.edrim.fr](http://www.edrim.fr) or on request from the head office of EdRIM Gestion. In compliance with Article 314-76 of the General Regulations of the French market authority, the AMF, the client may request further details on any remuneration provided with respect to the distribution of this product.