



EDMOND  
DE ROTHSCHILD



# EDMOND DE ROTHSCHILD FUND INVESTMENT GRADE CREDIT

AN INVESTMENT GRADE CREDIT FUND INVESTING ACROSS  
THE GLOBAL SPECTRUM OF CORPORATE BONDS

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EDMOND DE ROTHSCHILD, BOLD BUILDERS OF THE FUTURE.

[edmond-de-rothschild.com](http://edmond-de-rothschild.com)

## **MARKETING COMMUNICATION**

This is a marketing communication. Please refer to the UCITS prospectus and the Key Information Document before making any final investment decision.

- **EdR Fund Investment Grade Credit's objective is to outperform its benchmark<sup>1</sup> by selecting investment grade securities issued by companies that meet environmental, social and governance (ESG) criteria.**

## KEY POINTS



**A global approach  
to Investment Grade  
opportunities**



Creation of  
Compartment<sup>2</sup>:  
**01/01/2018**



**2 dedicated fund  
managers/analysts  
with +15 years'  
average experience**



**2 years** minimum  
investment horizon



Carries a **risk  
of capital loss** and  
**credit risk**



**SFDR<sup>3</sup> classification  
Article 8**

## INVESTMENT TEAM

- The fund is managed by **two experienced investment grade bond specialists** who combine top-down idea generation with fundamental and relative value analysis of bond issuers and issues.
- The team's in-depth analysis of market and bond environments helps exploit various performance drivers linked to their top convictions.



**Marc LACRAZ**  
Fixed income  
portfolio manager



**Alexander EVENTON**  
Fixed income  
portfolio manager

1. Benchmark: Bloomberg Global Aggregate Corporate Index. 2. Merger of EdR Prifund Bond CHF, EdRF US IG Corporate Bonds, EdRF Euro IG Corporate Bonds. 3. The investment policy of a fund may change over time and therefore its classification under the Sustainable Finance Disclosure Regulation (SFDR) may change. If you have any doubts about the SFDR classification of a fund, please contact your usual adviser. Article 8: Funds promoting environmental and social characteristics.

The fund managers may change during the product's life. EdR Fund Investment Grade Credit is a sub-fund of the Luxembourg SICAV authorised by the CSSF and authorised for marketing in Switzerland, Spain, France, Luxembourg, Netherlands and Italy.

## WHY INVEST IN INVESTMENT GRADE CREDIT?



### A valuable investment tool to exploit carry trades

Coupon payments offer investors protection against adverse market environments.



### A segment with historically low default rates

Even in periods of recession, reported defaults on investment grade issues have been low.



### A compelling investment case in recessionary periods

As yields normalise toward levels not seen in years, we believe global investment grade corporates offer an attractive risk/reward profile.

## WHAT IS THE FUND'S INVESTMENT STRATEGY?

- ▶ The investment strategy applied to EdR Fund Investment Grade Credit seeks to offer investors **attractive returns while keeping volatility levels low**. As such, the portfolio is constructed using a combination BBB- rated or better, corporate issues with a maximum permissible exposure to high yield\* issues (lower than a BBB- rating) of 15%, as defined by Standard & Poor's or Fitch rating scale.
- ▶ The bulk of the portfolio is invested in bonds, such as fixed, variable, adjustable, floating, minimal, maximal, indexed or zero-coupon bonds, listed on a Regulated Market or Other Regulated Market without any sectorial or geographical constraints, targeting a modified duration of between 3 to 8 years.

## WHAT IS THE FUND'S INVESTMENT UNIVERSE?

- ▶ The fund managers generates its investment ideas by reviewing key fixed income market drivers, such as monetary policies, with multi-sector specialists in the fixed income team to continually score the optimal allocation in terms of securities and duration.
- ▶ The bond selection process also includes an in-depth study of each issuer using a multi-criteria analysis matrix which leads to a projected rating. Stress tests on corporate balance sheets and a relative value analysis shape a universe of attractive candidates.

\* High Yield: Speculative issues with a Standard & Poor's or equivalent long-term rating below BBB-, or with an equivalent internal rating of the management company, for which the risk of issuer default is greater.



# MAIN INVESTMENT RISKS

RISK INDICATOR: 

1	2	3	4	5	6	7
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## The risk indicator rates this fund on a scale of 1 to 7.

This indicator is used to assess the level of risk of this product in comparison to other funds and a category 1 rating does not mean that the investment is risk free. In addition, it indicates the likelihood that this product will incur losses in the event of market movements or our inability to pay you.

This indicator assumes that you hold the product until the end of the recommended holding period of this fund. The actual risk may be very different if you choose to exit before the end of the recommended holding period of this Fund.

The risks described below are not exhaustive.

**Risk of capital loss:** The UCITS does not guarantee or protect the capital invested; investors may therefore not get back the full amount of their initial capital invested even if they hold their units for the recommended investment period.

**Credit risk:** The main risk is that of the issuer defaulting on payment, failing to pay the interest and/or repay the capital. Credit risk also relates to the downgrading of an issuer. Investors' attention is drawn to the fact that the Fund's net asset value may drop in the event of a total loss being recorded on an operation following a

counterparty default. The presence of corporate bonds in the portfolio – either directly or through UCITS – exposes the Fund to the effects of changes in credit quality.

**Risk linked to speculative credit holdings:** The fund may invest in issues from countries or companies rated, at the time of purchase, as “non-investment grade” by a rating agency (rating of less than BBB- according to Standard & Poor's or any other equivalent rating assigned by an independent agency that has an equivalent internal rating issued by the Management Company) or which are considered equivalent by the Management Company. These issues are securities deemed speculative and present a higher risk of issuer default. This UCITS should be considered partly speculative and aimed specifically at investors who are aware of the risks inherent in investing in these securities. Thus, the use of “high yield” securities (speculative securities presenting a greater risk of issuer default) may result in a greater risk of falling NAV.

**Interest rate risk:** By holding debt securities and money market instruments, funds are exposed to changes in interest rates. This risk is defined as a rise on interest rates causes a decline in bonds valuation and therefore a fall in of the fund's NAV.

## FUND CHARACTERISTICS\*

**Fund Currency:** USD

**Inception date:** 15/07/2014

**ISIN Codes:** A Share: LU1080014290 / I Share: LU1080014530

**Minimum initial subscription:** A Share: 1 share / I Share: € 500 000

**Subscription fees:** A Share: Max 1% / I Share: None

**Management fees:** A Share: max. 0.75% / I Share: max. 0.375%

**Variable management fees:** None

**Redemption charges:** None

**Benchmark:** Bloomberg Global Aggregate Corporate Index

**Recommended investment horizon:** > 2 years

\* Shares described herein are the main euro-denominated shares. The fund also has shares in USD, CHF, GBP. Please ask your sales contact for any further information.

SRI Label: Created and supported by the French Ministry of Finance, this label aims to increase the visibility of SRI products among investors in France and Europe. SRI investment aims to reconcile economic performance, social and environmental impact by financing companies that contribute to sustainable development in all sectors of activity.



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## GLOBAL DISTRIBUTOR

### EDMOND DE ROTHSCHILD ASSET MANAGEMENT (FRANCE)

47 rue du Faubourg Saint-Honoré / FR - 75401 Paris Cedex 08

Société anonyme governed by an executive board and a supervisory board with capital of 11,033,769 euros.

AMF Registration No. GP 04000015  
332.652.536 R.C.S. Paris

## MANAGEMENT COMPANY

### EDMOND DE ROTHSCHILD ASSET MANAGEMENT (LUXEMBOURG)

4 rue Robert Stumper / LU - 2557 Luxembourg

## SUB-INVESTMENT MANAGER

### EDMOND DE ROTHSCHILD (SUISSE) S.A.

18 rue de Hesse / CH - 1204 Geneva

[www.edmond-de-rothschild.com](http://www.edmond-de-rothschild.com)