



EDMOND  
DE ROTHSCHILD



# EDMOND DE ROTHSCHILD FUND EM CLIMATE BONDS

A FUND WITH A POSITIVE ENVIRONMENTAL IMPACT, SEEKING  
AN ATTRACTIVE RISK-REWARD PROFILE IN THE EMERGING  
MARKET BOND SPACE

---

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 EM Climate Bonds is a sub-fund of the Luxembourg SICAV authorised by the CSSF and authorised for marketing in France, Switzerland, Italy, Spain, Germany, Austria and Luxembourg.

- **Our conviction: The green and sustainable bond market enables investors to make an active contribution to tackling global warming without foregoing yield. By gaining exposure to companies in emerging countries (EM), they are supporting a region where investment in environmental initiatives is crucial.**

## KEY POINTS



**Labelled Bonds**  
(green, sustainability and sustainability-linked)



Focused on  
**EM corporates** with an  
average **investment grade<sup>1</sup>** rating



**An EM fixed income platform of specialists**  
with 16 years' average experience



Currently aligned  
with a below  
**2°C Trajectory<sup>2</sup>**



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



**SFDR<sup>3</sup> classification Article 9**

## EMERGING MARKET CLIMATE BONDS TEAM

- An established and experienced investment team on emerging-market corporate bonds, combining input from portfolio management teams to assist in idea generation and the Responsible Investment team for the analysis of extra-financial criteria.



**Lisa TURK**  
Lead portfolio manager  
EM Portfolio Manager



**Daniela SAVOIA**  
Lead portfolio manager  
EM Portfolio Manager

The identity of the managers presented in this document may change during the life of the fund.

1. Investment Grade is a designation for low-risk bonds with financial ratings from AAA to BBB-. The default risk of these bonds is low and their yield is lower than high yield bonds. 2. Source: Carbon4. 3. SFDR classification: 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 9 SFDR: Article 9 funds according to the Sustainable Finance Disclosure Regulation (SFDR): funds whose investment policy includes a sustainable investment objective.

# WHY INVEST IN EM CLIMATE BONDS?



**A key challenge that needs to be addressed**

Focus on generating impact by actively supporting companies in their transition towards net zero<sup>4</sup>.



**Emerging Markets are needed to reach Global net zero<sup>4</sup> targets**

As the fastest growing energy consumer, EM as a region requires material investment for its transition.



**Labelled bonds are an efficient tool to tackle climate change**

Access a rapidly growing market, composed of green and sustainable bonds that meet a real need for both issuers and investors.

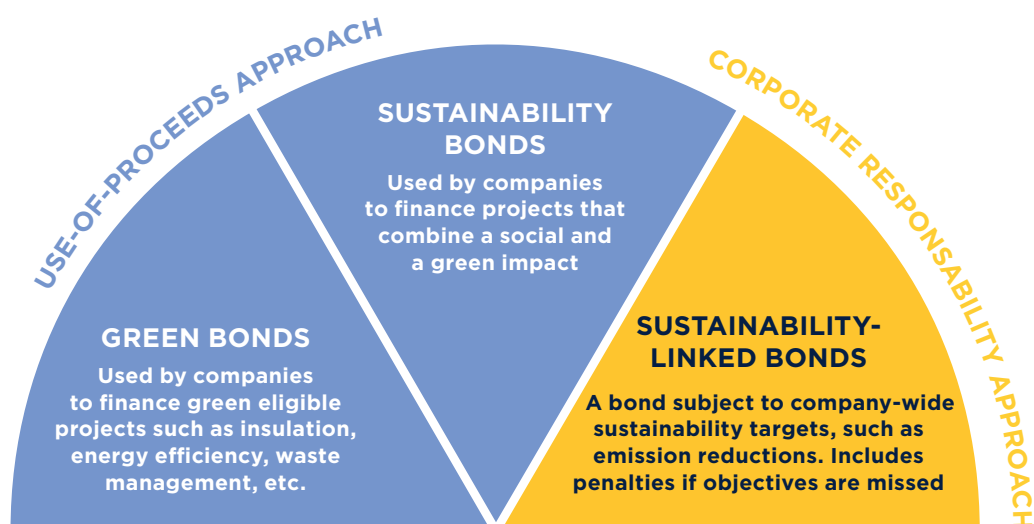
4. Net Zero is a set of actions aimed at drastically reducing CO<sub>2</sub> emissions, ideally to zero.

## AN IMPACT-DRIVEN STRATEGY

- ▶ The investment strategy is based on a stringent bond selection process with an objective to identify securities that can have a true positive impact.
- ▶ At least **75% of net assets are invested in labelled bonds including Green Bonds, Sustainability Bonds and Sustainability-linked Bonds** allowing the fund to be **among the first EM corporate bond funds on the market to be classified Article 9** of the SFDR<sup>3</sup> regulation.
- ▶ **Strict adherence is also given to a stringent ESG selection process such as exclusions of Coal and Oil & Gas sectors and those with the lowest 20% MSCI rating and the largest CO<sub>2</sub> emitters.**
- ▶ Significant activation of the following **Sustainable Development Goals (SDGs) by the portfolio:**



## SOUNDS GREAT... BUT WHAT ARE LABELLED BONDS?



# MAIN INVESTMENT RISKS

RISK INDICATOR:

1	2	3	4	5	6	7
---	---	---	---	---	---	---

## 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.

## Risks associated with investing in emerging markets:

The portfolio may be exposed to certain securities with a higher degree of risk than that generally associated with investments in the main financial markets, in particular due to local political and/or regulatory factors. The legal framework of certain countries in which the underlying UCITS and investment portfolio may invest may not provide the same protection or information to the investor as is usually provided in the main financial markets. Securities issued in certain so-called emerging markets may be significantly less liquid and more volatile than those issued in more mature markets. In this respect, securities from emerging countries offer less liquidity than those from developed countries; consequently, holding these securities may increase the level of portfolio risk. As a result, the net asset value may fall more sharply and rapidly than in developed countries.

**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\*

Investment Objective: The objective of the fund is to invest in sustainable investments with a positive environmental and climate impact while seeking attractive returns in emerging fixed income market. The Sub-Fund aims to outperform its benchmark over the recommended investment period. The Sub-Fund is actively managed.

**Inception date:** 28/06/2023

**Fund Currency:** USD

**ISIN Codes:** A Share: LU2541299256 / I Share: LU2541300872

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

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

**Subscription tax rate:** A Share: 0.05% / I Share: 0.01%

**Maximum management fees:** A Share: 1.00% incl. tax / I Share: 0.50% incl. tax

**Variable management fees:** 15% of outperformance above the reference index

**Redemption charges:** None

**Benchmark:** JP Morgan EM Credit Green Bond Diversified Index

**Recommended investment horizon:** > 3 years

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

June 2023. This document is issued by Edmond de Rothschild Asset Management (France). Non-contractual document designed for information purposes only. Reproduction or use of its contents is strictly prohibited without the permission of the Edmond de Rothschild Group. The information contained in this document does not constitute an offer or solicitation to trade in any jurisdiction in which such offer or solicitation is unlawful or in which the person making such offer or solicitation is not qualified to act. This document does not constitute and should not be construed as investment, tax or legal advice, nor as a recommendation to buy, sell or continue to hold any investment. The Edmond de Rothschild Group shall not be held liable for any investment or divestment decision taken on the basis of the information contained in this document. The funds presented may not be registered and/or authorized for sale in your country of residence. If you have any doubts about your ability to subscribe to this fund, please contact your professional advisor. The figures, comments, forward looking statements and other information contained in this presentation reflect the Edmond de Rothschild Group's view of the markets, their development and their regulations, taking into account its expertise, the economic context and the information available to date. They may no longer be relevant on the day the investor reads them. Consequently, the Edmond de Rothschild Group shall not be held responsible for the quality or accuracy of economic information and data obtained from third parties. Any investment involves specific risks. Investors are therefore advised to ensure that any investment is suitable for their personal circumstances by seeking independent advice where appropriate. In addition, investors should read the Key Information Document (KID) and/or any other document required by local regulations, which is provided prior to any subscription and is available in French and in English on the website [www.edmond-de-rothschild.com](http://www.edmond-de-rothschild.com) under the "Fund Center" tab or free of charge on request. A summary of investors' rights in French and English can be obtained at the following link: <https://www.edmond-de-rothschild.com/SiteCollectionDocuments/LegalWebPartSiteDocument/Luxembourg/EN/EDRAM-Luxembourg-EN-Investors-rights.pdf>.

The management company may decide to cease marketing this Fund in accordance with Article 93a of Directive 2009/65/EC and Article 32a of Directive 2011/61/EU.

"Edmond de Rothschild Asset Management" or "EdRAM" is the trade name of the asset management entities of the Edmond de Rothschild Group. Source of information: unless otherwise indicated, the sources used in this document are those of the Edmond de Rothschild Group. Copyright Edmond de Rothschild. All rights reserved.

EdR Fund EM Climate Bonds is registered at the CNMV under No 229.

## 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

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