EDMOND DE ROTHSCHILD

EDMOND DE ROTHSCHILD SICAV FINANCIAL BONDS

CAPITALISE ON THE FINANCIAL BOND MARKET THROUGH AN OPPORTUNISTIC INVESTMENT APPROACH

EDMOND DE ROTHSCHILD, BOLD BUILDERS OF THE FUTURE.

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

► **Our conviction: Financials, Banks and Insurance companies have solid investment characteristics with strong regulatory requirements and excess capital according to current regulation to sail through uncertain times.**

KEY POINTS

Benchmark-agnostic approach to express convictions

Inception date: **10/03/2008**

3 dedicated Portfolio Managers/Analysts with **+15 years' average experience**

3 years minimum investment horizon

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

SFDR[1] classification **Article 8**

INVESTMENT TEAM

► The fund is managed by three experienced financial credit specialists that combine **an excellent grasp of the regulatory and legal environment** within an established fixed income team of portfolio managers and analysts.

Julien de SAUSSURE
Lead Portfolio Manager

Benjamine NICKLAUS
Co-portfolio Manager

Miguel RAMINHOS
Portoflio Manager/Analyst

The identity of the managers presented in this document may change during the product's life. 1. Benchmark: 80% of the ICE BofA Euro Financial index and 20% of the ICE BofA Contingent Capital (EUR hedged) index. 2.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. EdR SICAV Financial Bonds is a sub-fund of the French SICAV authorised by the AMF and authorised for marketing in Austria, Switzerland, Germany, Spain, France, United Kingdom, Italy, Luxembourg and Portugal.

WHY INVEST IN FINANCIAL BONDS?

Capture the complexity and subordination premia[3]

With a focus on extracting the superior yield of financial credit with a contained risk exposure

A strengthening of financials' balance sheets

The evolution of regulations enacted after 2008[4] has led to a significant improvement in monitoring the risks associated with investments in financials

Financials are among the best ESG[5]-rated sectors

thanks to solid fundamentals and supportive technicals

WHAT IS THE FUND'S INVESTMENT STRATEGY?

- Access to complexity & subordination premia[3] of Banks and Insurance Companies in countries with a strong and healthy financial system.
- The fund invests across the entire capital structure of European financial issuers using the full spectrum of available instruments from Senior[6] bonds to the most junior, Contingent Convertibles (Cocos). Insurance subordinated[7] debt is also used as a key diversification play.
- The fund caps its investment in Contingent Convertibles to maximum 50% to keep a balanced approach combining return generation and risk management.

WHAT IS THE FUND'S INVESTMENT UNIVERSE?

- The fund can invest globally but has historically focused on European financial issues denominated in EUR, USD and GBP, with no rating constraints and covering any subordination rank. The fund does not intend to hold equities, preference shares[8] and corporate hybrids[9].
- This core investment universe includes, by subordination rank, Senior, Tier 1, Tier 2 and Contingent Convertibles of Financials. This universe is sufficiently deep and stable to allow the team to remain highly selective in the portfolio's construction and management over time.

3. The complexity and subordination premium refers to the extra return that investors can earn to compensate for the risks associated with investing in financial debt. 4. The 2008 financial crisis forced financial authorities and regulators to take strict measures to strengthen the balance sheets of financial institutions and their solvency. This new regulatory environment has led to the emergence of new capital instruments and an improvement in the quality of issuers. 5. Environmental, Social, Governance. 6. Senior debt is priority debt that benefits from specific guarantees allowing it to be repaid with priority over other debt (called "subordinated" debt). 7. Subordinated debt has the particular characteristic of being repaid after the other creditors of this debt have been repaid. Subordinated debt is a financial instrument with a high level of risk. 8. Preference shares are a class of securities that offer specific prerogatives such as voting rights or enhanced dividends. 9. Hybrid bonds include perpetual debt or debt with the potential to be converted into a new bond at a later date.

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 linked to investments in speculative securities: The UCITS 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.

Risks related to contingent convertible bonds (Cocos): Cocos are subordinated debt securities issued by credit institutions or insurance or reinsurance companies, eligible in their regulatory capital and which have the specificity of being convertible into shares, or whose nominal value can be reduced (a so-called "write down" mechanism) in the event of the occurrence of a "trigger", previously defined in the prospectus. A Coco includes an option to convert into shares at the issuer's initiative in the event of a deterioration of its financial situation. In addition to the credit and interest rate risk inherent in the bonds, the activation of the conversion option may result in a decrease in the value of the Coco above that of the issuer's other conventional bonds. Depending on the terms of the relevant Coco, certain triggering events may result in a permanent write-down to zero of the principal investment and/or accrued interest or a conversion of the bond into equity.

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: to outperform its benchmark, 80% ICE BofA Euro Financial + 20% ICE BofA Contingent Capital Index Hedged EUR, over the recommended investment period through a diversified portfolio exposed to bonds issued primarily by international financial institutions.

Fund Currency: EUR
Inception date: 10/03/2008
ISIN Codes: A Share: FR0011034495 / I share: FR0010584474
Subscription fees: Maximum 1%
Minimum initial subscription: A Share: 1 share / I Share: € 500 000
Management fees: A Share: 1.15% max. / I Share: 0.55% max.
Variable management fees: 20% of performance in excess of the benchmark
Redemption charges: None
Benchmark: 80% ICE BofA Euro Financial + 20% ICE BofA Contingent Capital Index Hedged EUR
Recommended investment horizon: > 3 years

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

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