



## **BOND ALLOCATION (the "Sub-Fund"), a Sub-Fund of EDMOND DE ROTHSCHILD FUND (the "Fund")**

**Share Class A GBP H (the "Class") - LU1426148984**

Management Company : Edmond de Rothschild Asset Management (Luxembourg)

### **Objectives and Investment Policy**

**Investment objective:** The Sub-Fund's objective is to offer an annualised performance exceeding the Index composed of 50% of the Bloomberg Barclays Euro Aggregate Corporate Total Return Index and 50% of the Bloomberg Barclays Euro Aggregate Treasury Total Return Index over the investment period. Environmental, social and governance (ESG) criteria are one of the components subject to management, although their weighting in the final decision is not defined beforehand.

**Benchmark index:** 50% Bloomberg Barclays Euro-Aggregate Corporate (EUR) + 50% Bloomberg Barclays Euro-Aggregate Treasury (EUR)

The Sub-Fund is actively managed and is not designed to track the Index. Therefore, the composition of the portfolio holdings is not constrained by the composition of the Index and the deviation of portfolio holdings from the Index may be significant.

**Investment policy:** The investment approach of the Sub-Fund combines both top-down and bottom-up factors. As such the Sub-Fund benefits from the complementary skills of the Investment Manager, combining relevant macroeconomic analysis with specific bond picking skills in each fixed income market segment. The Sub-Fund may invest up to 110% of its net assets in debt securities and Money Market Instruments of any kind, from all geographical areas.

The cumulative exposure to non-investment grade debt securities (high yield securities) with a credit rating below BBB- (Standard and Poor's or an equivalent rating assigned by another independent agency, or a deemed equivalent internal rating attributed by the Investment Manager for non-rated securities) and to debt securities issued by public or private entities located in Emerging Countries will not exceed 70% of the Sub-Fund's net assets. However, the cumulative exposure to non-investment grade corporate bonds and emerging markets debt securities will not exceed 50% of the Sub-Fund's net assets. The Sub-Fund may also invest in Distressed Securities up to 5% of its net assets. High yield securities are speculative and present a higher risk of default than investment grade bonds. The remainder of the Sub-Fund's portfolio will be invested in debt securities with a minimum long-term rating of BBB- or a short-term rating of A-3 (Standard and Poor's or an equivalent rating assigned by another independent agency, or a deemed equivalent internal rating attributed by the Investment Manager for non-rated securities). Subject to a limit of 10%, the Sub-Fund may be exposed to equity markets through its potential exposure to Convertible Bonds and in exceptional cases resulting from the restructuring of securities held in the portfolio. In case of conversion or restructuring, the Sub-Fund may temporarily hold equities up to 10% of its net assets which would be sold off as soon as possible in the best interest of shareholders. Up to 20% of the Sub-Fund's net assets may be invested in Contingent Convertible Bonds. The Sub-Fund may hold up to 100% of its net assets in securities issued in currencies other than the euro. The currency risk resulting from these investments will be systematically hedged. Nevertheless, a residual exposure may remain. The Sub-Fund's Modified Duration may vary from -2 to 8.

The Sub-Fund may use financial derivative instruments to achieve its investment objective. Such instruments may also be used for the purpose of hedging. These instruments may include, but are not limited to:

Futures options - Credit options, Interest rate options - Currency options, Forward rate agreements - Currency swaps, Interest rate futures - Inflation swaps, Interest rates swaps, Currency forward, Single-name Credit Default Swap, Swaptions - Index Credit Default Swap, Bond ETF options, Total Return Swaps, Bond futures.

Strategies that will be implemented through the use of financial derivative instruments:

General hedging of certain risks (interest rate, credit, currency), Exposure to interest rate and credit, Reconstitution of a synthetic exposure to assets and risks (interest rate, credit), Increase in exposure to the market, Duration positioning: active management of the duration of the aggregate portfolio as well as of specific yield curves. Typically increasing the duration on a given region/segment on which a decrease in bond yields is expected and conversely reducing the duration to a given region/segment on which an increase in bond yields is expected, Yield curve positioning: yield curve strategies in order to benefit from the difference in evolution of yields for different maturities and from nonparallel shifts in the yield curve (steepening / flattening), Curvature positioning: curvature strategies in order to benefit from a deformation and a movement in the shape of a yield curve.

These strategies, due to the use of derivatives, may potentially induce a relatively high leverage as further described in section XV below. The strategies will however remain consistent with applicable risk diversification rules.

The Sub-Fund will enter into TRS and SFT (repurchase transactions only) for such percentage of its net assets. The Sub-Fund may invest up to 100% of its net assets in securities with embedded derivatives. The strategy for the use of securities with embedded derivatives is the same as that described for the use of derivatives. Up to the limit of 10% of its net assets, the Sub-Fund may invest in units or shares of UCITS or other Investment Funds.

The level of leverages is not expected to be in excess of 2,000% of the net asset value of the Sub-Fund.

The Sub-Class will be hedged against the EUR/GBP exchange rate fluctuation.

#### **Recommended holding period of 3 years**

**Frequency of share buying or selling:** Every Luxembourg and France bank business day except for Good Friday, 24 December (Christmas Eve) and the days on which the French markets are closed (official calendar of Euronext Paris S.A.) for orders received by the transfer agent on each NAV calculation day before 12:30 p.m. and processed on the basis of that day's net asset value.

**Income allocation:** Accumulation

### **Risk and Reward Profile**



1	2	3	4	5	6	7
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The definition of the risk and reward category is based on the historical performance data and/or the risk limit indicated in the Sub-Fund's investment policy. It may not be a reliable indication of the future risk profile of the Sub-Fund. The risk and reward category shown may change over time. Category 1 does not mean that an investment is risk-free. Investors should note that the Sub-Fund is not guaranteed or capital protected.

This Sub-Fund is rated in category 3, in line with the type of securities and geographic regions detailed under the heading "Objectives and investment policy", as well as the currency of the unit.

#### **Significant risks not taken into account in this indicator:**

**Credit risk :** When a significant level of investment is made in debt securities.

**Liquidity risk :** The markets for some securities and instruments may have limited liquidity. This limited liquidity could be a disadvantage to the Sub-Fund, both in the realisation of the prices quoted and the execution of orders at desired prices.

**Impact of techniques such as derivative contracts :** The use of derivatives instruments can infer a decrease of the asset more significant than the decrease of the invested underlying assets or markets.

**Counterparty risk :** Where a Fund is backed by collateral or has significant investment exposure through contracts with a third party.

**Operational risk :** The Sub-Fund may suffer losses due to the failure of operational processes, including those related to the safekeeping of assets.

The occurrence of any of these risks may negatively impact the net asset value.

# Charges

One-off charges taken before or after you invest	
Entry charge	1.00%
Exit charge	None
This is the maximum that might be taken out of your money before it is invested or paid out.	
Charges taken from the Fund over a year	
Ongoing charges	1.33%
Charges taken from the Fund under certain specific conditions	
<b>Performance fee</b>	
Until 30/09/2021 : 15 % per year of the outperformance of the Class compared to the benchmark index 50% Bloomberg Barclays Euro-Aggregate Corporate (EUR) + 50% Bloomberg Barclays Euro-Aggregate Treasury (EUR). From 01/10/2021 : 15% per Reference Period If the difference between the NAV of the share and its Target NAV is positive, please refer to the section 19.1 Fees 19.1.2	
Performance and outperformance fees (b) Outperformance fee (Outperformance Model 2) definition in the prospectus.	

Charges and fees are paid to cover the operating costs of the Sub-Fund, including the cost of marketing and distributing share classes. These costs reduce the potential growth of your investment.

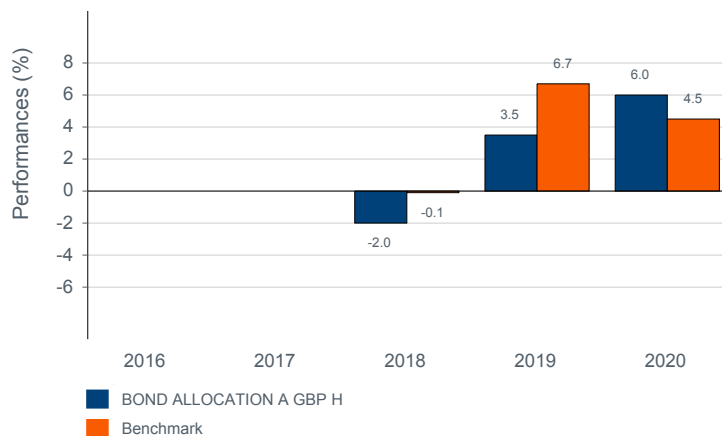
Investors may obtain the actual amount of entry and exit charges from their advisor or distributor. In certain cases you might pay less.

The figure is based on expenses calculated at the end of December 2020. This figure may vary from year to year. It excludes performance fees and intermediary fees except entry and exit charges paid by the Sub-Fund when buying or selling units and/or shares of another UCI.

The performance fee paid for the preceding exercise closing on March 2020, represents 0.28% of net assets.

For more information about charges, including information on performance fees and their calculation, please refer to the Sub-Fund's data sheet in the Fund prospectus.

# Past Performance



Past performance is not an indication of future performance. It may vary over time. The performance indicated does not take into account costs and fees on issues and redemptions of units, but does include ongoing charges and intermediary fees as well as any performance fees collected.

Past performances are calculated in GBP, net dividends reinvested.

BOND ALLOCATION was launched on 17/11/2016

Share class creation date: 07/2017

Benchmark: 50% Bloomberg Barclays Euro-Aggregate Corporate (EUR) + 50% Bloomberg Barclays Euro-Aggregate Treasury (EUR)

# Practical Information

Custodian: Edmond de Rothschild (Europe).

More detailed information on Edmond de Rothschild Fund, the available sub-funds and share classes, such as the prospectus and the annual and semi-annual reports, may be obtained free of charge, in English, from the registered office of Edmond de Rothschild Asset Management (Luxembourg) at: 4 Rue Robert Stumper, L-2557 Luxembourg.

The latest price of the shares is available online at [www.edmond-de-rothschild.com](http://www.edmond-de-rothschild.com) in the « Fund Center » section.

This document describes the Class of the Sub-Fund. The prospectus, the annual reports and the semi-annual reports are prepared for the Fund as a whole. The assets and liabilities of the various sub-funds are segregated. The assets of any particular Sub-Fund will only be available to satisfy the debts, liabilities, and obligations which relate to that Sub-Fund. Shareholders are allowed to convert all or part of their shares into shares of another class of the Sub-Fund, or into shares of the same or of another sub-fund. For more details about how to switch shares, please refer to the dedicated section of the prospectus "Share conversion".

Detailed information concerning the remuneration policy of the Management company, namely, but not limited to a description of how remuneration and benefits are calculated are available on the website:

[www.edmond-de-rothschild.com/en/legal/luxembourg/terms-and-conditions](http://www.edmond-de-rothschild.com/en/legal/luxembourg/terms-and-conditions).

A paper copy of the summarised remuneration policy is available free of charge, upon request to shareholders.

This Fund is subject to Luxembourg tax law. Depending on your country of residence, this may have an impact on your tax situation. For more details, please consult a tax adviser.

Edmond de Rothschild Asset Management (Luxembourg) may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.

The Sub-Fund and its shares have not been registered with the Securities and Exchange Commission in the United States of America and the Fund will not be filing an application to receive authorisation to offer or sell shares to the public pursuant to the provisions of the U.S. Securities Act of 1933. The Sub-Fund is not and will not be registered pursuant to the U.S. Investment Company Act of 1940. The shares of this Sub-Fund cannot be offered and this document may not be distributed in the United States of America or any of the territories, possessions or regions under its jurisdiction.

DISCLAIMER : THIS FUND MAY INVEST 70% IN FIXED-INCOME SECURITIES OF LOW CREDIT QUALITY, WHICH THEREFORE PRESENTS A VERY HIGH CREDIT RISK.

This Fund is authorised in Luxembourg and supervised by the Commission de Surveillance du Secteur Financier.

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This key investor information is accurate as of 01/10/2021.