



EDMOND DE ROTHSCHILD EMERGING CONVERTIBLES (I)

EdR Emerging Convertibles (I)

EMERGING MARKETS CONVERTIBLE BONDS FUND

EDMOND DE ROTHSCHILD ASSET MANAGEMENT

CORPORATE DEBT

Fund size : USD 15,84 mil.

GENERAL INFORMATION

Investment objective

Edmond de Rothschild Emerging Convertibles seeks to gain from growth in emerging markets while controlling risk. Through active management independent of any benchmark indices, the Fund selects mainly convertible or exchangeable bonds in all emerging countries, in particular Asia excluding Japan, Latin America, South Africa and Eastern Europe.

Monthly comment

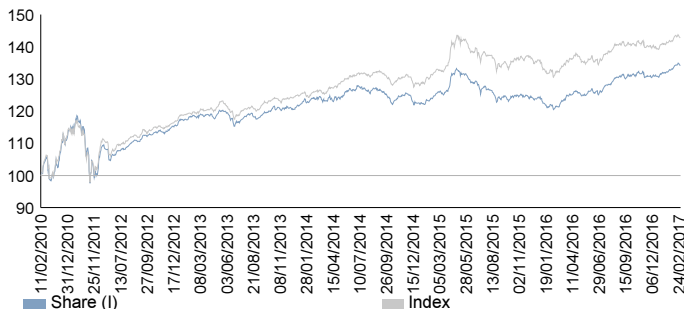
MSCI Emerging index posted positive performance in February +1.68% despite dollar gains. Chinese equities outperformed broader emerging markets index, specifically, banking sector was helped by better NPLs, higher yields, stable credit growth and somewhat moderated property risk. In China, the manufacturing PMI showed signs of accelerating growth, improving to 51.6 from 51.3 in January, ahead of consensus expectations. In the meantime, the National People's Congress will begin in early March and is likely to set targets and priorities for the year. Russian equities on the other hand went lower, as ETFs suffered outflows for first time since US elections. Oil market volatility continued to fall, with 30-day volatility in the price of Brent crude now at 20.7% (a two-year low). The per barrel price has remained stable around \$56 for a couple of months now as OPEC's promise of production cuts have offset record US stockpiles. The fund benefitted from Advanced Semiconductor Engineering 2018 CB as the company reported stronger margins in its EMS business and higher revenues +6%QoQ, subsequently we took profits on this name as the CB was trading at ~85% delta. As a replacement to ASE bond we have participated in the primary of Microchip Technology 2027 1.625% subordinated convertible, this US producer of microcontrollers and memory chips generates around 60% of revenues in Asia. We have also participated for a small size in the new Severstal 2022 0 coupon convertible due to its attractive technical profile, waiting for an announcement on EU import duties on HRC from Russia to increase the position. Another positive contributor on the month was Ctrip.com 2020, Chinese online travel company listed on NASDAQ, reported better than expected Q4 results with 2% beat on revenues, driven by higher air ticket volumes, in addition operating margin improved 4.6% YoY. On the other hand Cemex 18&20 CBs contributed negatively to the performance in February even though the construction materials company posted good Q4 results with strong free cash flow generation at 544 mln USD aided by 392 mln USD reduction in working capital.

PERFORMANCES

Benchmark (Index) : Thomson Reuters Growth Markets CB Idx Hedged (USD)

Index : Benchmark specified in the prospectus, dividend reinvested.

Performance chart (from 11/02/10 to 28/02/17)



Cumulative performances (Net of fees) (Rolling periods)

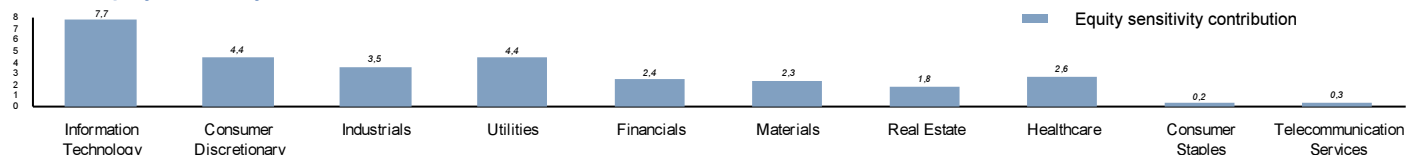
| | 1 month | 3 months | YTD | 1 year | 2 years | 3 years | 5 years | 10 years | Since inception | Annualized since inception |
|-----------|---------|----------|------|--------|---------|---------|---------|----------|-----------------|----------------------------|
| Share (I) | 0,98 | 2,48 | 1,95 | 10,50 | 6,59 | 7,96 | 22,90 | - | 34,10 | 4,25 |
| Index | 0,66 | 1,65 | 1,46 | 7,97 | 7,26 | 12,81 | 28,61 | - | 42,64 | 5,17 |

Statistics (Rolling periods)

| | Volatility | | Tracking error | | Sharpe ratio | |
|-----------|------------|---------|----------------|---------|--------------|---------|
| | 52 weeks | 3 years | 52 weeks | 3 years | 52 weeks | 3 years |
| Share (I) | 3,08 | 4,99 | 1,23 | 1,68 | 2,87 | 0,47 |
| Index | 3,75 | 5,33 | - | - | 1,73 | 0,72 |

PORTFOLIO

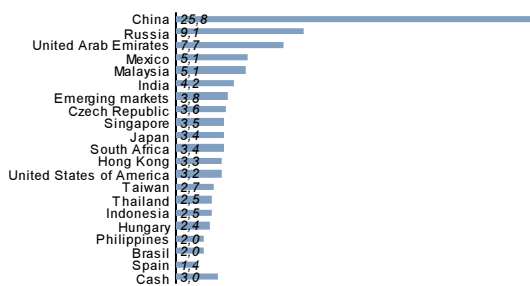
Sector equity sensitivity contribution*



*Allocation with recalculation of the exposure after deduction of the monetary part.

Country breakdown

% of Net Assets



■ Fund

Top holdings

5 Main holdings (Number of holdings : 35)

| | Sector | Expo (%NA) |
|--------------------------|------------------------|-------------|
| CTRP 1 07/01/20 | Consumer Discretionary | 4,2 |
| YANDEX N.V. 1.125 15/12/ | Information Technology | 4,0 |
| SBSG 0 12/01/18 | Financials | 4,0 |
| LUKOIL 4.563 04/24/23 | Energy | 3,9 |
| DP WORLD 19062024 | Industrials | 3,9 |
| Total | | 19,9 |

Actuarial data (weighted averages)

| Equity Sensitivity | Modified Duration | Yield (1) | Running yield | Spread | Maturity (2) | Duration | Rating (2/3) |
|--------------------|-------------------|-----------|---------------|--------|--------------|----------|--------------|
| 29,56 | 1,72 | -0,14 | 1,36 | 206,84 | 2,59 | 2,39 | BBB |

(1) The best of the two actuarial rates (put and maturity)

(2) Analyses calculated excluding derivatives on the scope of interest rate instruments

(3) Calculated excluding unrated securities - Rating source: Second best (S&P, Moody's, Fitch) LT rating

PERFORMANCE TRACK RECORD (%)

Net performance

| | | Jan. | Feb. | March | April | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Annual |
|------|-----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|-------|-------|--------|
| 2013 | Share (I) | 2,01 | 0,14 | 0,58 | 0,13 | 0,17 | -2,31 | 1,87 | -0,97 | 1,62 | 1,33 | 0,10 | 0,46 | 5,16 |
| | Index | 1,90 | 0,34 | 0,54 | 0,82 | 0,25 | -2,37 | 1,50 | -0,23 | 1,76 | 1,16 | 0,18 | 0,75 | 6,73 |
| 2014 | Share (I) | 0,89 | 1,11 | -0,68 | 0,49 | 1,62 | 0,82 | -0,75 | 0,68 | -1,96 | 0,07 | 0,60 | -2,21 | 0,60 |
| | Index | -0,31 | 1,48 | -0,18 | 1,33 | 1,63 | 0,94 | -0,01 | 0,79 | -1,63 | 0,05 | 0,75 | -1,91 | 2,90 |
| 2015 | Share (I) | 0,52 | 2,17 | 0,98 | 4,20 | -1,13 | -2,03 | -1,05 | -1,95 | -0,85 | 1,06 | -0,72 | 0,53 | 1,56 |
| | Index | 0,98 | 2,41 | 1,64 | 5,31 | -0,89 | -2,19 | -0,46 | -1,87 | -0,93 | 1,72 | 0,58 | -0,60 | 5,58 |
| 2016 | Share (I) | -2,00 | -0,46 | 3,19 | 0,24 | 0,45 | -0,05 | 1,70 | 1,92 | 0,13 | 0,54 | -0,49 | 0,51 | 5,72 |
| | Index | -2,30 | -0,40 | 3,19 | 0,21 | -0,45 | -0,04 | 1,65 | 1,70 | -0,19 | 0,43 | -0,39 | 0,19 | 3,54 |
| 2017 | Share (I) | 0,97 | 0,98 | | | | | | | | | | | |
| | Index | 0,79 | 0,66 | | | | | | | | | | | |

This document is not contractual. In the event of any disagreement or dispute arising from this document, the full prospectus or the partial prospectus for the sub-funds authorised for distribution in Switzerland are binding. Past performance is not a reliable indicator of future performance. Performance data is calculated with dividends reinvested.

EDMOND DE ROTHSCHILD ASSET MANAGEMENT (FRANCE) 47, rue du Faubourg Saint-Honoré - 75401 Paris Cedex 08 - T. +33 1 40 17 25 25 / F. +33 1 40 17 24 42 - www.edram.fr Public limited company with Executive and Supervisory Boards and capital of €11,033,769 AMF approval number GP 04000015 - 332.652.536 R.C.S. PARIS



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MAIN MOVEMENTS OF THE MONTH

New positions

MICROCHIP TECHNOLOGY -0 1
CHMFRU 0 02/16/22

Strengthened positions

No position strengthened

Sold

ADVANCED SEMICONDUCTOR EN

Reduced

No position reduced

PERFORMANCE ANALYSIS

Top 5 positive performers

(from 27/01/17 to 28/02/17)

| | Av. weight (%) | Contribution (%) |
|------------------------|----------------|------------------|
| ADVANCED SEMICONDUCTOR | 1,24 | 0,23 |
| CTRP 1 07/01/20 | 4,04 | 0,17 |
| SBSG 0 12/01/18 | 3,84 | 0,15 |
| SRTGIJ 3 05/26/20 | 2,43 | 0,13 |
| YUE XIU 1 08/08/2019 | 3,31 | 0,13 |

Top 5 negative performers

(from 27/01/17 to 28/02/17)

| | Av. weight (%) | Contribution (%) |
|---------------------------|----------------|------------------|
| CEMEX 'EXCH' 3.72% 2020 | 3,84 | -0,11 |
| CEZ MH B.V. | 3,69 | -0,10 |
| IHH HEALTHCARE (KHAZANAH) | 2,36 | -0,07 |
| SMIZCH 0 07/07/22 | 2,06 | -0,07 |
| CEMEX 3 3/4 03/15/18 | 1,31 | -0,05 |

STATISTICS & PERFORMANCE ANALYSIS

Statistics (Rolling periods)

| | 52 weeks (week. perf.) | 3 years (month. perf.) | 5 years (month. perf.) |
|-------------------|---------------------------|---------------------------|---------------------------|
| Volatility | 3,08 | 4,99 | 4,80 |
| Tracking error | 1,23 | 1,68 | 1,61 |
| Information ratio | 1,91 | -0,90 | -0,59 |
| Sharpe ratio | 2,87 | 0,47 | 0,84 |
| Alpha | 0,07 | -0,08 | -0,03 |
| Beta | 0,78 | 0,89 | 0,90 |
| R2 | 0,91 | 0,90 | 0,90 |
| Correlation | 0,95 | 0,95 | 0,95 |

Performance Analysis

| | Since inception (month. perf.) |
|----------------------------|-----------------------------------|
| % of positive performances | 65,88 |
| Minimum return | -10,06 |
| Maximum return | 6,87 |
| Payback period | 133 day(s) |

FUND CHARACTERISTICS

Share characteristics

| | |
|-------------------------|--------------|
| Net asset value (USD) : | 134,10 |
| Share issue date : | 11/02/2010 |
| ISIN code : | FR0010852418 |
| Bloomberg code : | SHECONI FP |
| Lipper code : | 68040553 |
| Telekurs code : | 11003545 |
| Distribution : | Accumulation |
| Latest coupon : | - |

Fund Managers

Kris DEBLANDER, Laurent LE GRIN

Fund characteristics

| | |
|---|---|
| Legal status | |
| Fund inception date : 31/12/2009 | AMF classification : Balanced |
| Fund domicile : France | Recommended investment period : > 3 years |
| Administrative Information | |
| Management Company : Edmond de Rothschild Asset Management (France) | |
| Delegated management Company : Edmond de Rothschild Asset Management (UK) | |
| Administration : CACEIS Fund Admin. | Valuation : Daily |
| Depository : Edmond de Rothschild (France) | Decimalised : 3 decimals |
| Subscription & redemption conditions : Daily before 4.30 pm C.E.T. on next day's net asset value (1) | |
| Management Subscription/Redemption fees | |
| Actual management fees : 1% | Subscription fees : no |
| Performance fees : yes (1) | Redemption fees : no |

(1) In the interests of clarity and transparency, please familiarise yourself with the specific features of this product as detailed in the prospectus.

CONTACTS



Germany : contact-am-de@edr.com
Austria : contact-am-at@edr.com
Belgium : contact-am-be@edr.com
Spain : contact-am-es@edr.com
Finland : contact-am-fi@edr.com
France : contact-am-fr@edr.com

Italy : contact-am-it@edr.com
Luxembourg : contact-am-lu@edr.com
Netherlands : contact-am-nl@edr.com
Portugal : contact-am-pt@edr.com
United Kingdom :
 contact-am-uk@edr.com

Switzerland : contact-am-ch@edr.com
Sweden : contact-am-se@edr.com
Chile : contact-am-cl@edr.com
Hong Kong : contact-am-hk@edr.com



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CORPORATE DEBT

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SUBSCRIBERS TYPE

| Marketing country | Investors involved in marketing |
|---|---------------------------------|
| Switzerland Spain France Luxembourg Netherlands | All |
| Singapore | Restricted |

PRODUCT RISKS AND DISCLAIMERS

The information used to value the assets of this UCITS is taken primarily from various pricing sources available on the market and/or from information provided by brokers, prime brokers or external custodians, administrative agents/managers of target funds or other products, specialists duly authorised for this purpose by this UCITS and/or its management company (where applicable), and/or directly from this UCITS and/or its management company (where applicable).

With regard to index levels and compositions, the main sources used are data distributors.

Please note that the main risks of this UCITS are as follows :

- Risk linked to investing in emerging markets
- Currency risk
- Discretionary management risk
- Risk linked to holding convertible bonds
- Interest rate risk
- Capital risk
- Risk linked to financial and counterparty contracts
- Equity risk
- Credit risk
- Risk linked to the currency of units denominated in a currency other than that of the UCI

Details on the target subscribers provisions and on applicable Risks of this UCITS is found in the full prospectus or in the partial prospectus for those subfunds authorised for distribution in Switzerland of this UCITS. The regulation, the full prospectus, the partial prospectus for subfunds authorised for distribution in Switzerland, the key investor information document (where applicable) and the annual, semi-annual and quarterly reports are available upon request from Edmond de Rothschild Asset Management (France), its distributors and/or representatives and/or the following correspondents:

| | | | | | |
|------------------------------------|---|--|-------------------------------|----------------------|-------------|
| France | : | Edmond de Rothschild Asset Management (France) | 47, Rue du Faubourg St-Honoré | Cedex 08 Paris 75401 | France |
| Luxembourg | : | CACEIS Bank, Luxembourg Branch | 5, Allée Scheffer | L-2520 Luxembourg | Luxembourg |
| Spain | : | Edmond de Rothschild Asset Management (France) | Pº de la Castellana 55 | 28046 Madrid | Spain |
| | | - Sucursal en España | | | |
| Switzerland (Legal Representative) | : | Edmond de Rothschild Asset Management (Suisse) | 8, rue de l'Arquebuse | 1204 Genève | Switzerland |
| | | S.A. | | | |
| Switzerland (Paying agent) | : | Edmond de Rothschild (Suisse) S.A. | 18, rue de Hesse | 1204 Genève | Switzerland |

and/or on the following website (<http://funds.edram.com>), in order that investors analyse the risks and build their own opinion, independently from any entity of the Edmond de Rothschild Group. Investors are invited to request the opinion of their Legal Counsel where necessary, to ensure the suitability of the investment with regards to their financial situation, experience and investment objectives.

The numerical data, comments and analyses in this presentation reflect the opinion of Edmond de Rothschild Asset Management (France) with respect to the markets and their trends, regulation and tax issues, on the basis of its own expertise, economic analyses and information available as of today. The figures mentioned refer to past years. Past performance and ratings are not indicative of future performance and ratings. Past performance can be misleading. The value of units or shares of funds and the returns are subject to fluctuation, and investors may not get back the full amount invested. Performance data is calculated on a dividend reinvested basis. These performance do not take into account the fees and expenses collected on the issue or redemption of shares/units, or taxes levied in the client's country of residence.

The fund's investment policy does not necessarily anticipate a correlation between the fund and the mentioned benchmark. As a result, the performance of this UCITS may differ from that of the benchmark.

Figures mentioned in this document may be denominated in a currency other than that of the country in which the investor resides. As a result, potential gains may be increased or decreased by fluctuations in foreign exchange rates

The information in this document regarding this UCITS is not intended to replace the information in the full prospectus, or the partial prospectus if the cited subfund is authorised for distribution in Switzerland, the annual and semi-annual report. Prior to making any investment decision, the investor therefore has an obligation to read it.

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No UCITS can be offered or sold to persons, or in countries or jurisdictions where such offer or sale would be unlawful.

United States: The fund and its shares are not registered under the Securities Act of 1933 or any other US regulation. Its shares may not be offered, sold, transferred or delivered for the benefit of, or on behalf, of a US National, as defined by US law.

In accordance with current local regulations, the UCI, or the class of the UCI, have received marketing authorization to specific institutional investors, or more broadly to qualified or professionals investors in the following country(ies): **Singapore**



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DEFINITIONS

The **PERFORMANCE**, often expressed as a % makes it possible to measure the capital gain or loss of an investment over a period (10% = gain of 10 units for every 100 invested). Performance can also be expressed per annum. This is equivalent to extrapolating the performance of a fund over any period to a one-year period. In either case, a loss is indicated by a negative percentage and a gain by a positive percentage.

The **VOLATILITY** of a security is the difference between performance and average performance and therefore makes it possible to gauge the consistency of performance obtained. It comprises a measure of risk. If this is zero, the individual performances are identical. The higher it is, the greater the difference between individual performances.

The **TRACKING ERROR** shows the volatility of a fund's relative performance against that of its benchmark. It shows the difference between performances and their average and so makes it possible to gauge the consistency of relative performance. The lower the tracking error, the closer the fund's performance is to that of its benchmark.

The **INFORMATION RATIO** represents the relative performance obtained by the fund manager for each agreed volatility point in comparison with the benchmark. To some degree, it is this measurement that makes it possible to establish whether the additional risk taken by the fund manager is, in comparison with the benchmark, rewarding or otherwise.

The **ALPHA** corresponds to the fund's average performance. More specifically, it measures the fund managers' added value while cancelling out market influence, which cannot be controlled. This measure is expressed as a percentage.

The **SHARPE RATIO** shows the fund's outperformance against a zero-risk interest rate (the Eonia, in this case), adjusted for fund volatility.

The **BETA** measures the market's influence (represented by a benchmark) on the performance of a fund. It shows the average variation of the fund's NAV, for each variation of 1% in the benchmark. If beta is 0.8, this means that for each 1% movement in the benchmark, the fund moves 0.8%.

The **CORRELATION COEFFICIENT** defines the direction and degree of dependence between two variables. It ranges from -1 to +1. Positive correlation means that the benchmark and the fund move in the same direction, negative correlation means that they move in opposite directions. When correlation is close to zero, the benchmark's influence on the fund is very low.

The **R2** or the **DETERMINATION COEFFICIENT** measures to what extent variations in fund performance are explained by variations in the benchmark. Mathematically, it is the square of the correlation coefficient. It always has a value of between 0 and 1.

The **GAIN FREQUENCY** represents the percentage of positive returns for a defined frequency.

The **MAX GAIN** represents the maximum return recorded from a series of periodic return payments.

The **MAX DRAWDOWN** is the maximum loss recorded over a series of periodic returns.

The **PAYBACK PERIOD** measures the time required to recover the maximum drawdown. It is often expressed in days or months. Payback begins with the return paid following the maximum loss.

DURATION: the duration of a bond corresponds to the period after which its profitability is not affected by interest rate fluctuations. The duration appears as an average lifespan updated with all flows (interest and capital) and expressed in years.

SENSITIVITY: Bond sensitivity measures the percentage change in a bond's value arising from any downward movement in the interest rates. Mathematically, it is equal to the absolute value of the derivative of the bond's value with regards to the interest rate, divided by the value of the bond itself. It is expressed as a percentage.

SPREAD: the actuarial margin, or spread, of a bond (or of a loan) is the difference between the actuarial rate of return of the bond and that of a zero-risk loan with an identical duration. Naturally, the better the issuer is rated, the lower the spread

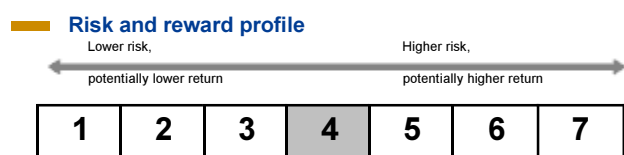
ACTUARIAL RATE: by convention, an actuarial rate is a rate of an investment which has a duration of one year and for which interest is received or paid after one year. Since there are so many rates and interest payment terms, it is difficult to compare them directly. They are therefore converted using a common basis, the actuarial rate, in order to make direct comparisons.

MATURITY: A bond's final or call maturity corresponds to the period remaining until the bond may be redeemed or until its next call date. It is therefore equal to the length of time between the date upon which the calculation is performed and the issue's redemption date or next call date, and is often expressed in numbers of years.

DELTA OF A CONVERTIBLE BOND ISSUE: the delta of a convertible issue measures the sensitivity of the price of the convertible bond to a change in the conversion ratio [(equity price * conversion ratio)/nominal amount]. Its value is always between 0 and 100.

EQUITY SENSITIVITY FOR CONVERTIBLE BOND ISSUES: The equity sensitivity of a convertible bond issue measures the sensitivity of the convertible bond's value to a 1% fluctuation in the value of the (underlying) share. It will always be between 0% to 100%. The closer the equity sensitivity is to 100%, the closer the fluctuation in the convertible bond's price will match that of the share price and vice versa. Accordingly, when equity sensitivity is in the range of 80 to 100, the convertible bond is considered to perform like a share; between 20 to 80, the convertible bond is said to be mixed and is influenced by both the share price and interest rates; between 0 and 20, the convertible bond performs like a bond.

RISK SCALE



Synthetic risk/return indicator ranks the fund on a scale from 1 to 7 (1 being the less risky ranking, 7 being the most risky ranking). This rating system is based on average fluctuations in the fund's net asset value over the past five years, i.e. the scale of changes in the index securities, both up and down. If the net asset value is less than 5 years old, the rating is determined by other regulatory calculation methods. Historic data such as those used to calculate the synthetic indicator may not be a reliable indication of the future risk profile. The current category is neither a guarantee nor an objective. Category 1 does not signify a risk free investment. For more details on the methodology of the ranking, please consult the key investor information document (KIID) of the fund.

This fund is rated in category 4, in accordance with the type of shares and geographical zones presented in the "objectives and investment policy" section.

HISTORICAL DATA

Benchmark modification history

Thomson Reuters Growth Markets CB Idx Hedged (USD)