EDMOND DE ROTHSCHILD

Key investor information

This document provides you with key investor information about this UCITS. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this UCITS. You are advised to read it so that you can make an informed decision about whether to invest.

EdR SICAV – Financial Bonds

Share Class B EUR (the "Class") – FR0011289966

Management company: Edmond de Rothschild Asset Management (France), part of the Edmond de Rothschild Group

UCITS subject to French law

Objectives and investment policy

Management objective: The Sub-fund's objective is to outperform the benchmark index over the recommended investment period, which comprises 80% of the ICE BofA Euro Financial index and 20% of the ICE BofA Contingent Capital (EUR hedged) index, through a portfolio that is primarily invested in bonds issued by international financial institutions. The Sub-fund applies a dedicated ESG strategy based on the analysis of non-financial criteria that are taken into account when selecting the portfolio's securities. The Sub-fund is actively managed, which means that the manager makes investment decisions with the aim of achieving the Sub-fund's objective and investment policy. This active management includes taking decisions related to asset selection, regional allocation, sectoral views and overall market exposure. The Manager is in no way limited by the composition of the benchmark index in the positioning of the portfolio, and the Sub-fund may not hold all the components of the benchmark index or indeed any of the components in question. The sub-fund may diverge wholly or significantly from the benchmark index or, occasionally, very little.
Benchmark index: 80% ICE BofA Euro Financial + 20% ICE BofA Contingent Capital (EUR hedged), coupons reinvested
Investment policy: The manager will invest up to 100% of the portfolio's assets on a discretionary basis in bonds issued by French and/or international public or private financial institutions. The ESG investment universe is composed of securities from the Sub-fund's benchmark index. The management company may select securities from outside its index. However, it will ensure that the chosen benchmark index offers a relevant comparison for the Sub-fund's ESG rating.
The manager may invest without restriction in any type of bond securities in this sector, in senior securities and subordinated securities, both dated and undated, at any level of subordination (Additional Tier 1, Restricted Tier 1, Tier 1, Tier 2, Insurance Tier 3). The selected securities may be Investment Grade (rating of BBB- or higher from Standard and Poor's or equivalent or a rating deemed equivalent by the management company) or High Yield (speculative securities with a long-term rating of BBB- or lower from Standard and Poor's or equivalent, or an equivalent internal rating from the management company) or unrated by ratings agencies, up to 100% of the Sub-fund's net assets.
Senior securities are generally defined as being priorities compared to subordinated securities in the event of the default or liquidation of an issuer. Subordinated securities usually include priority levels (in case of default or liquidation) that are set out contractually in the offering prospectus.
As the Sub-fund may invest in bonds of any subordination rank or in convertible bonds or contingent convertible bonds up to a limit of 50% of its net assets, there is a possibility that these instruments may be converted into shares at the initiative of the regulator or in the event, for example, of a fall in the solvency ratio below a threshold that is generally contractually defined.
In the event that bonds held in the portfolio are converted into shares, up to 10% of the Sub-fund's net assets may be temporarily invested in equities, to be sold at the earliest opportunity in the best interest of the holders.
The Sub-fund may invest up to 20% of its net assets in securities issued by financial companies domiciled in emerging countries, denominated in EUR, GBP, CHF, USD or JPY. Exposure to a currency other than the euro will, after hedging, be residual, up to a maximum of 2% of the net assets.
In the event that bonds held in the portfolio are converted into shares, up to 10% of the Sub-fund's net assets may be temporarily invested in equities, to be sold at the earliest opportunity.
In the event of unfavourable expectations in relation to the financial sector, the Sub-fund may hold negotiable debt securities, denominated in euros, that are issued by private companies or governments and have a maximum maturity of 3 months.
With a view to achieving the management objective or hedging the assets, the manager may use financial contracts traded on regulated or over-the-counter markets (futures, options, swaps, total return swaps, including credit derivatives, etc.), for up to 100% of net assets. Modified duration: between 0 and 10.
The Sub-fund may use over-the-counter forward foreign exchange contracts in the form of total return swaps (TRS) on bonds, bond indices and/or bond baskets up to a limit of 100% of its net assets. The expected proportion of assets under management is 25%.

AMF classification: Bonds and other international debt securities
DISCLAIMER: THIS FUND MAY INVEST 100% OF ITS ASSETS IN BONDS WITH A LOW CREDIT RATING. YOU THEREFORE HAVE A VERY HIGH CREDIT RISK.
Frequency of share buying or selling: Daily, with the exception of French public holidays and/or days on which the French markets are closed (pursuant to the official calendar of Euronext Paris S.A.), for all orders received at the clearing house on each net asset value calculation day before 12.30 p.m. at that day's net asset value. A redemption cap mechanism (known as "Gates") may be implemented by the management company. The operating procedures are described in the Prospectus and the Articles of Association of the SICAV.
Allocation of income: Distribution
Allocation of net realised gains: Accumulation and/or Distribution and/or Carried forward
Other information: Environmental, social and governance (ESG) criteria are one of the components of the management; their weighting in the final decision is not defined in advance.
Recommended investment period: more than 3 years

Risk and reward profile

Lower risk — Higher risk

Return potentially lower — Return potentially higher

1	2	3	**4**	5	6	7

The above indicator is calculated on the basis of historical data and may, therefore, not be a reliable indication of the future risk profile of the UCITS. It is not certain that the risk and reward category shown will remain unchanged and the classification may change over time. Category 1 does not mean that an investment is risk-free. Repayment of the initial investment is not guaranteed.

This Sub-fund is rated in category 4, in line with the type of securities and geographical areas presented under the heading "Objectives and investment policy", as well as the currency of the share.

Material risks not covered by this indicator:

Credit risk: risk that the issuer of the bond or money market securities may not be able to meet its obligations or that its credit rating may be downgraded. It may also be the result of an issuer defaulting on repayment at maturity.

Liquidity risk: risk linked to the low level of liquidity on the underlying markets, which makes them sensitive to significant buy/sell trends.

Derivative risk: the use of derivatives may cause a greater drop in the value of net assets than that of the markets in which they are invested.

Counterparty risk: this is the risk that a market participant will default, preventing them from honouring their commitments in respect of your portfolio.

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/before the proceeds of your investment are paid out.	
Charges taken from the UCITS over a year	
Ongoing charges	1.25%
Charges taken from the UCITS under certain specific conditions	
Performance fee Until 30.06.2021: 20% per year of the outperformance compared to the benchmark, the ICE BofA Euro Financial index, as of 01.07.2021: 20% per year of the outperformance compared to the benchmark, 80% ICE BofA Euro Financial + 20% ICE BofA Contingent Capital (EUR hedged), coupons reinvested. In the event of the outperformance of the share of the Sub-fund compared to its benchmark index, and even if its performance is negative, an outperformance fee may be charged for the reference period.	

The charges and fees you pay are used to cover the costs of running the sub-fund, including the costs of marketing and distributing the shares. These charges reduce the potential growth of your investment.

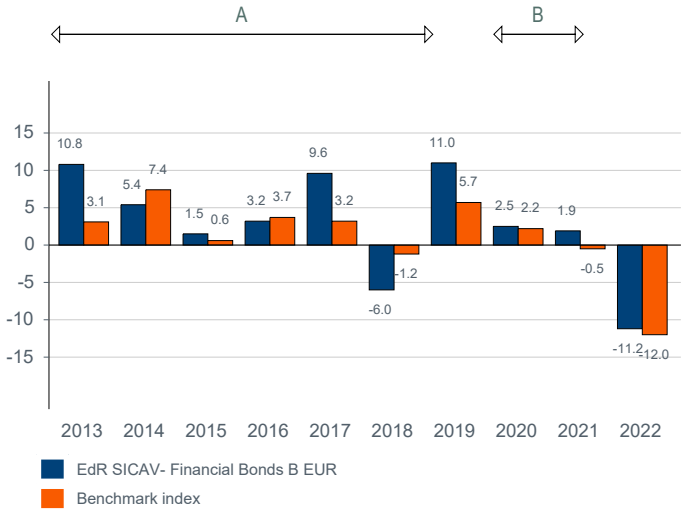
The entry and exit charges shown here are maximum figures; in some cases, investors may pay less.
Investors can find out the actual entry and exit charges from their adviser or distributor.

The ongoing charges figure is based on the charges for the year ending in September 2022. This figure may vary from year to year.
It excludes intermediary fees with the exception of the entry and exit charges paid by the sub-fund when buying or selling units and/or shares of other UCIs and investment funds.

The performance fee, excluding ongoing charges, was paid during the last financial year ended September 2022 and represents 0.00% of average net assets.

More detailed information on charges and fees can be found in the sub-fund prospectus and on the website www.edram.fr.

Past performance



Past performance is not an indication of future returns. Performance may vary over time.
Ongoing charges, intermediary fees and any performance fees charged are included in the performance calculation. Entry and exit charges are excluded.

Past performance has been calculated in EUR, with net dividends reinvested.

EdR SICAV – Financial Bonds was launched on 12.02.2019

Unit launch date: 07.2012

Benchmark index: 80% ICE BofA Euro Financial + 20% ICE BofA Contingent Capital (EUR hedged), coupons reinvested

A: The D unit of the EdR Financial Bonds Fund was absorbed on 12.02.2019 by the B EUR share of the EdR SICAV – Financial Bonds Sub-fund. The absorbing Sub-fund is subject to the same investment restrictions and limitations and risk profile of the Absorbed Fund. Until 12.02.2019 (date of the merger/absorption), past performance corresponded to that of the D unit of the Absorbed Fund.
B: Until 30.06.2021, the benchmark index was the ICE BofAML Euro Financial index, net dividends reinvested.

Practical information

The depositary of the UCITS is Edmond de Rothschild (France).

The sub-fund prospectus, its latest annual report and any subsequent interim report (in French and English) are available free of charge upon written request sent to Edmond de Rothschild Asset Management (France) 47, rue du Faubourg Saint-Honoré - 75401 Paris Cedex 08 - France, telephone: +33 1 40 17 25 25, email: contact-am-fr@edr.com. The price of the shares and, where applicable, information about other share classes are available online at www.edram.fr. Detailed information on the remuneration policy established by the management company, including a description of the method used to calculate remuneration and benefits, is available online at http://www.edmond-de-rothschild.com/site/France/en/asset-management. A written copy of the policy is available free of charge from the management company upon request.

French tax law can have an impact on the investor's personal tax situation.

Edmond de Rothschild Asset Management (France) 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 sub-fund's prospectus.

The shares of this sub-fund are not and will not be registered in the United States under the Securities Act of 1933 or any other US regulation. The sub-fund may either subscribe to units or shares of target funds likely to participate in initial public offerings of US securities ("US IPOs") or participate directly in US IPOs. The Financial Industry Regulatory Authority ("FINRA"), in accordance with rules 5130 and 5131 of FINRA (the "Rules"), has decreed prohibitions regarding the eligibility of certain persons to participate in the allocation of US Initial Public Offerings when the effective beneficiary(ies) of such accounts are financial services professionals (including, among others, owners or employees of member firms of FINRA or fund managers) ("Restricted Persons") or executive managers or directors of US or non-US companies that may do business with member firms of FINRA ("Covered Persons"). The sub-fund may not be offered or sold for the benefit or on behalf of a "US Person", as defined by "Regulation S", or to investors considered Restricted Persons or Covered Persons in conformity with the FINRA Rules. Investors should seek advice from their legal advisor if there are any doubts about their status.

This UCITS is authorised in France and regulated by the Autorité des Marchés Financiers (AMF).
Edmond de Rothschild Asset Management (France) (Paris Trade and Companies Register No. 332 652 536) is authorised in France under the number GP-04000015 and regulated by the AMF.
This key investor information is accurate and up to date as at 17.02.2023.