



# EDR FUND EUROPE VALUE & YIELD R-USD

EdR Fund Europe Value &amp; Yield R-USD

EUROPEAN EQUITY SICAV

EDMOND DE ROTHSCHILD ASSET MANAGEMENT

EUROPEAN EQUITY

Fund size : USD 339,94 mil.

## GENERAL INFORMATION

### Investment objective

EdR Europe Value & Yield is invested in European large capitalisations. Along with an active cash management, the sub-fund selects high quality undervalued stocks and/or the ones able to deliver an above average return. Defensive stocks and cash represent at least 50% of the portfolio while financial and cyclical stocks cannot exceed 50%.

### Monthly comment

July was a little easier on the trade war front, especially between Europe and United States, after an unexpected agreement between Donald Trump and EC President Jean-Claude Juncker. The ECB's confirmation that there would be no rate hikes before summer 2019 and promises of a fiscal stimulus in China were welcomed as credit spreads eased in a climate of modest rate hikes and a rise in European equity indices. Recently published corporate reports have confirmed the growth expected at the start of the year, at nearly 10%, without, however, showing any strong trends. While the currency effect is expected to be less punishing at current levels in the second half, markets are putting a high premium on the risk of a turnaround in the economic cycle. Such risk is being heightened by persistent uncertainty, fuelled by destabilising rhetoric from the US Administration. As a result, all business models premised on medium-term improvement (especially when based on restructuring plans) have been shunned in favour of good quality reports and those still looking good over the short term. We have made no changes over the month.

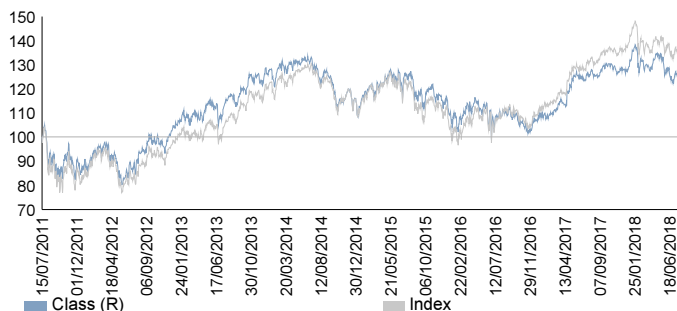
## PERFORMANCES

**Benchmark (Index) :** MSCI Europe (NR) (USD)

**Market index (NR index) :** MSCI Europe (NR) (USD)

Index : Former benchmark expressed in price index chained with official benchmark expressed net dividend reinvested - NR index: Market index corresponding to the benchmark, dividend reinvested.

### Net performance chart (from 15/07/11 to 31/07/18)



### 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
Class (R)	3,04	-5,03	-0,68	1,39	15,28	1,45	10,26	-	27,71	3,53
Index	3,33	-0,73	-0,01	5,63	26,45	13,42	30,06	-	38,89	4,77
NR Index	3,33	-0,73	-0,01	5,63	26,45	13,42	30,06	-	45,20	5,43

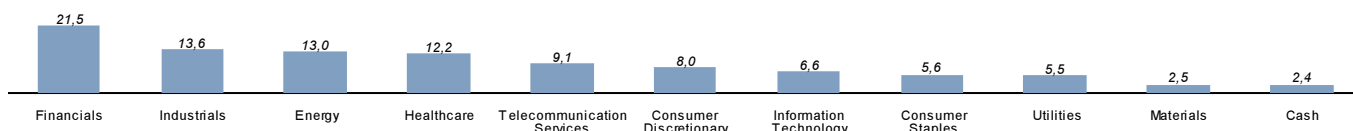
### Statistics (Rolling periods)

	Volatility		Tracking error		Sharpe ratio	
	52 weeks	3 years	52 weeks	3 years	52 weeks	3 years
Class (R)	12,30	12,82	3,83	4,19	-0,11	-0,03
Index	12,76	12,79	-	-	0,25	0,27

## PORTFOLIO

### Sector breakdown \*

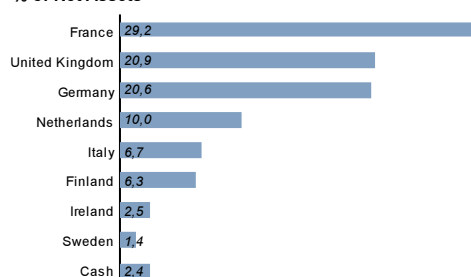
Fund % of Net Assets



\* Carried out after breaking down the underlying Edmond de Rothschild group funds.

### Country breakdown \*

% of Net Assets



Fund

### Carbon Footprint (a)

	Fund		Index	
Carbon Footprint (tons eq. CO2/M€ invested)	31/12/16	114,00	31/12/16	217,00

### Top holdings

5 Main holdings (Number of holdings : 33)

	Sector	Expo (%NA)
TOTAL SA	Energy	6,3
BAE SYSTEMS PLC	Industrials	5,7
ROYAL DUTCH SHELL PLC	Energy	5,3
ASTRAZENECA PLC	Healthcare	5,3
DEUTSCHE TELEKOM AG	Telecommunication Services	4,3
<b>Total</b>		<b>26,8</b>

### Financial data\* (weighted averages)

PER 2018	PER 2019	EPS var. 2018/2019	PCF 2018	PBV 2018	Yield 2018
15,2	13,5	11,6	11,2	2,0	4,4



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## PERFORMANCE TRACK RECORD (%)

### Net performance

		Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual
2014	Class (R)	-4,98	6,60	-0,27	1,52	0,35	-0,95	-4,04	0,73	-4,14	-4,48	3,24	-4,67	-11,21
	Index	-3,86	7,30	-1,02	2,49	0,89	-0,10	-3,78	0,42	-3,75	-2,64	2,66	-4,30	-6,18
2015	Class (R)	1,62	4,54	-1,89	4,25	-0,49	-2,11	4,00	-6,17	-3,58	6,88	-3,60	-1,93	0,63
	Index	0,00	6,28	-2,66	4,34	-0,77	-3,07	3,12	-7,12	-4,67	7,16	-1,83	-2,57	-2,84
2016	Class (R)	-4,48	-1,91	5,36	0,27	-1,09	-4,54	3,00	-1,54	0,50	-3,80	-2,10	4,92	-5,87
	Index	-6,59	-1,79	6,28	2,44	-0,59	-4,45	4,19	0,30	0,87	-3,26	-2,18	5,24	-0,40
2017	Class (R)	-0,50	2,17	4,54	2,61	6,52	-1,88	2,04	-0,75	4,32	-0,88	-0,31	-0,22	18,72
	Index	2,08	1,19	4,02	3,53	4,85	-1,09	2,99	0,06	3,30	0,47	0,22	1,51	25,51
2018	Class (R)	6,53	-4,85	-0,87	4,07	-6,01	-1,94	3,04						
	Index	5,40	-5,88	-1,20	2,77	-3,28	-0,67	3,33						

Only performances over full periods are shown.

## MAIN MOVEMENTS OF THE MONTH

### New positions

No new position

### Strengthened positions

No position strengthened

### Sold

No position sold

### Reduced

No position reduced

## PERFORMANCE ANALYSIS

### Top 5 positive performers

(from 29/06/18 to 31/07/18)

	Av. weight (%)	Contribution (%)
ASTRAZENECA PLC	4,96	0,52
TOTAL SA	6,03	0,42
TELEFONICA DEUTSCHLAND H	2,66	0,28
DEUTSCHE TELEKOM AG	4,18	0,27
CARREFOUR SA	1,88	0,20

### Top 5 negative performers

(from 29/06/18 to 31/07/18)

	Av. weight (%)	Contribution (%)
NOKIA OYJ	4,55	-0,27
SMITH & NEPHEW PLC	2,91	-0,20
CRH PLC	2,59	-0,09
ROYAL DUTCH SHELL PLC	5,41	-0,08
CENTRICA PLC	1,01	-0,07

## STATISTICS & PERFORMANCE ANALYSIS

### Statistics (Rolling periods)

	52 weeks (week. perf.)	3 years (month. perf.)	5 years (month. perf.)
Volatility	12,30	12,82	12,52
Tracking error	3,83	4,19	3,79
Information ratio	-1,18	-0,91	-0,90
Sharpe ratio	-0,11	-0,03	0,12
Alpha	-0,08	-0,29	-0,25
Beta	0,92	0,95	0,96
R2	0,91	0,90	0,91
Correlation	0,95	0,95	0,95

### Performance Analysis

	Since 15/07/2011 (month. perf.)
% of positive performances	52,94
Minimum return	-14,96
Maximum return	13,53
Payback period	490 day(s)

## FUND CHARACTERISTICS

### Share characteristics

Net asset value (USD) :	127,71
Class creation date (D) :	15/01/2016
ISIN code :	LU1103285679
Bloomberg code :	EDEVYRU LX
Lipper code :	68277555
Telekurs code :	25197844
Distribution :	Accumulation
Latest coupon :	-

### Fund Managers

Philippe LECOQ, Anthony PENEL

### Fund characteristics

#### Legal status

Sub-fund launch date : 15/01/2016

Fund domicile : Luxembourg

Recommended investment period : &gt; 5 years

#### Administrative Information

Management Company : Edmond de Rothschild Asset Management (Luxembourg)

Delegated management Company : Edmond de Rothschild Asset Management (France)

Valuation : Daily

Administration : Edmond de Rothschild Asset Management (Luxembourg)

Depositary : Edmond de Rothschild (Europe)

Initial minimum subscription : 1 Share (1)

Subscription &amp; Redemption conditions : Daily before 12.30 pm C.E.T. on day's net asset value (1)

#### Management Subscription/Redemption fees

Actual management fees : 2,1%

Performance fees : no (1)

Subscription fees Max./Real : 3% / no

Redemption fees Max./Real : no / no

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

(D) For your information, once the legal nature of this UCI is amended, with no impact on the purpose of the fund, and once the performance history is preserved, the launch date of the fund may fall after the start date of the performance history.



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EUROPEAN EQUITY

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## CONTACTS



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## SUBSCRIBERS TYPE

Marketing country	Investors involved in marketing
Austria Belgium Switzerland Germany Spain France United Kingdom Italy Luxembourg Netherlands	All
Chile 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 :

- Interest rate risk
- Risk associated with the currency of shares denominated in currencies other than that of the Sub-fund
- Risk linked to financial and counterparty contracts
- Currency risk
- Risk linked to derivatives
- Equity risk
- Credit risk

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 status, 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:

Belgium	: CACEIS Belgium SA	avenue du Port 86 c, boîte 320	B-1000 Bruxelles	Belgium
France	: CACEIS Bank	1-3 place Valhubert	75013 Paris	France
Germany	: MARCARD, STEIN & Co GmbH & Co KG	Ballindamm 36	20095 Hamburg	Germany
Italy	: Société Générale Securities Services S.p.A.	Via Benigno Crepsi 19A	MAC2 Milan	Italy
Italy	: State Street Bank GmbH, Succursale Italia	Via Ferrante Aporti 10	Milan	Italy
Italy	: BNP Paribas Securities Services, Succursale di Milano	Via Ansperto 5	Milan	Italy
Italy	: Allfunds Bank S.A.	Via Santa Margherita 7	20121 Milan	Italy
Luxembourg	: Edmond de Rothschild Asset Management (Luxembourg)	20, boulevard Emmanuel Servais	L-2535 Luxembourg	Luxembourg
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Switzerland (Legal Representative)	: Edmond de Rothschild Asset Management (Suisse) S.A.	8, rue de l'Arquebuse	1204 Genève	Switzerland
Switzerland (Paying agent)	: Edmond de Rothschild (Suisse) S.A.	18, rue de Hesse	1204 Genève	Switzerland
United Kingdom	: Société Générale Securities Services Custody London	Exchange House - 12 Primrose Street	EC2A 2EG London	United Kingdom

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.

In Belgium, periodic reporting are available from the financial provider CACEIS Belgium. The Net Asset Value is available on the Belgian Asset Managers' Association, BEAMA site ([www.beama.be](http://www.beama.be)).

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 performances 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

If a specific tax treatment is applicable to the fund, investors should be aware that the tax treatment depends on the individual circumstances of each investor and may be subject to change in the future.

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.

This document is only for information and does not represent an offer to buy or a solicitation to sell; the basis of any contract or commitment; a financial, legal or tax advice. No part of this document should be interpreted as investment advice. Regulations related to fund marketing may vary from one country to the next. This UCITS may be marketed in a jurisdiction other than that of its country of registration, in particular under the private placement regime for qualified investors, when the law of that other jurisdiction authorizes it. If you have the slightest doubt about marketing requirements for this UCITS, we invite you to contact your usual adviser.

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): **Chile or Singapore**



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Belgian investors, if subscribing to a UCITS under French law, must be supplied with a declaration of dividends and interest received by the fund, and which must be included in their tax return. To enable the investor to calculate this amount, we have developed an app that allows him/her to obtain the result required for the tax return, which is available on the [www.edram.be](http://www.edram.be) website. This app does not constitute tax advice and does not exempt investors from performing the checks and verifications required as taxpayers. The result is obtained from the data the investor enters into this app. The Edmond de Rothschild group cannot be held responsible for any errors or omissions on the investor's part.

(2) In connection with Article 19 bis of the Belgian Income Tax Code 1992, Belgian investors will be required, when redeeming units (mutual funds) or shares (SICAVs), to pay a withholding tax of 27% on the interest received, on the capital gains or losses and on the returns from assets invested in debt securities. This withholding tax only applies to UCIs that hold more than 27% of their assets in debt securities.

(3) The Belgian investor will, as part of the redemption of the SICAV's share classes, be called upon to bear additional fees: For accumulation units: 1.32% with a maximum of €2000; For distribution units: no fees borne

Any fees owed to the Belgian tax authorities are for information only and are not intended to be a substitute for tax advice. The tax treatment depends on the individual situation of each customer and does not absolve the Belgian investors of performing the checks and verifications necessary of a tax professional.

## 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 **MINIMUM RETURN** 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.

The **PE = Price Earnings**. This ratio is equivalent to the ratio between the price of a share and the earnings per share. It is also known as the Earnings Capitalisation Multiple. The result is the weighted average of the PE of the securities in the portfolios.

The **VAR EPS = Variation in Earnings Per Share**. The result is the weighted average of the VAR EPS of the securities in the portfolios.

The **PCF = Price to Cash Flow**. This is the ratio between the price of a share and the cash-flow generated per share (Cash flow per share). The result is the weighted average of the PCF of the securities in the portfolios.

The **PBV = Price to Book Value**. This ratio is equivalent to the ratio between the price of a share and the book value of its equity. The result is the weighted average of the PBV of the securities in the portfolios.

The **PEG = Price Earnings Growth**. This is calculated by dividing the PE by the average growth rates for expected profits in future years.

The **YIELD** = This ratio is the ratio of dividend per share and share price. The returns are gross before deduction of taxes and shall take into account tax credits, if any. For example, for French and German companies, tax credits are included. In Singapore and Malaysia, the company returns are based on net dividends after corporate taxes. For a fund, the performance equals the weighted average yields of all portfolio holdings which have seconded a dividend. This ratio is expressed in % per year.

**OVERLAY MANAGEMENT** is an approach based on the hedging of existing risks (equities, interest rate, currency, etc.) in a portfolio.

**UCITS** means "Undertaking for Collective Investment in Transferable Securities". This category of financial products includes the Mutual Fund (FCP) and the Société d'Investissement à Capital Variable (SICAV).

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**SICAV** (Société d'Investissement à Capital Variable) means open-ended investment company with variable capital.

**FUND** means "Mutual Fund".

**PEA ELIGIBLE**: Eligible fund Savings Plan in Action. This measure depends on the individual situation of each client.



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AS OF 31 JULY 2018

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## RISK SCALE

### Risk and reward profile



1	2	3	4	5	6	7
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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 5, reflecting that it can be up to 110% exposed to equities markets, which presents a high risk/reward profile.

## HISTORICAL DATA

### Benchmark modification history

From 01/02/2013	MSCI Europe (NR) (USD)
From 15/07/2011	MSCI Europe (USD)



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## METHODOLOGY

### (a) Carbon Footprint :

Our carbon measures rely on the data supplied by the companies and updated annually (annual report, Carbon Disclosure Project) or estimated by third-party data providers (Bloomberg). We then produce several indicators calculated as follows:

Carbon Footprint (in tonnes of CO2 equivalent per million euros invested):

It measures the volume of greenhouse gas (GHG) emissions for which the portfolio is responsible in proportion to its capital share. If an investor holds 1% of a company's market capitalisation, they are responsible for 1% of that company's emissions (in tonnes of CO2 equivalent).

Company Share = (price\*number of shares held) / Market capitalisation

Absolute Carbon Footprint =  $\sum (\text{Company Share}(i) * \text{Company Emissions}(i))$

Carbon Footprint = Absolute Carbon Footprint / Fund Net Assets

Carbon emissions include Scope 1 + Scope 2

Scope 1 emissions: direct emissions of greenhouse gases (fuels, refrigerant fluids, fuel for vehicles owned)

Scope 2 emissions: indirect emissions (electricity, steam purchase)