



# EDR FUND US VALUE & YIELD J-EUR (H)

EdR Fund US Value &amp; Yield J-EUR (H)

US EQUITY SICAV

EDMOND DE ROTHSCHILD ASSET MANAGEMENT

US AND INTERNATIONAL EQUITY

Fund size : EUR 1 090,46 mil.

## GENERAL INFORMATION

### Investment objective

The Sub-Fund actively selects undervalued and recovery stocks that have a healthy balance sheet and whose prospects are improving. The Sub-Fund is invested in North American large capitalisations.

### Monthly comment

The markets continued their climb in December. Turning to the economy, the United States created nearly two million private sector jobs over the first 11 months in 2016. The ISM manufacturing and non-manufacturing activity indices were at 53.2 and 57.2 respectively in December, above expectations and a reflection of the ongoing expansion in the US economy. Overall, the economy is showing a sustained upturn, and this ahead of any concrete measures being implemented by the incoming US President. Confidence indicators, recently published for SMEs as well as consumer spending, are running at high levels. We have initiated a position on Whirlpool, in the home appliances segment this month, and strengthened Johnson Controls, in energy efficiency. Meanwhile, our weighting on industrial stocks has been modestly trimmed through Caterpillar and Fluor. We are confident in the portfolio's prospects for appreciation in 2017, fuelled by corporate earnings growth and the ongoing catch-up that discounted stocks have been staging. While average equity market valuation is now slightly above its historic level at 17x estimated earnings, the portfolio's stocks are trading at a discount of nearly -30% off market average, which offers a considerable margin for growth.

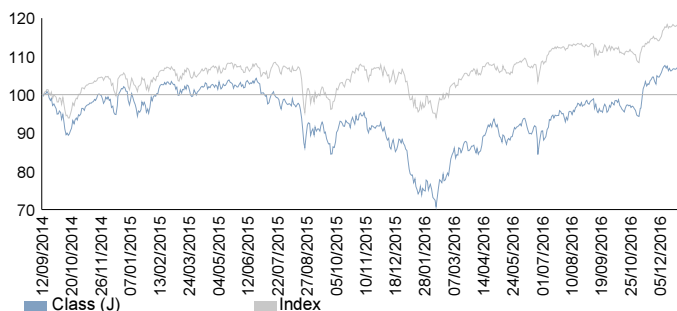
## PERFORMANCES

**Benchmark (Index) :** S&P 500 (NR)

**Market index :** S&P 500 (NR)

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.

### Performance chart (from 12/09/14 to 30/12/16)



### Cumulative performances (Net of fees) (Rolling periods)

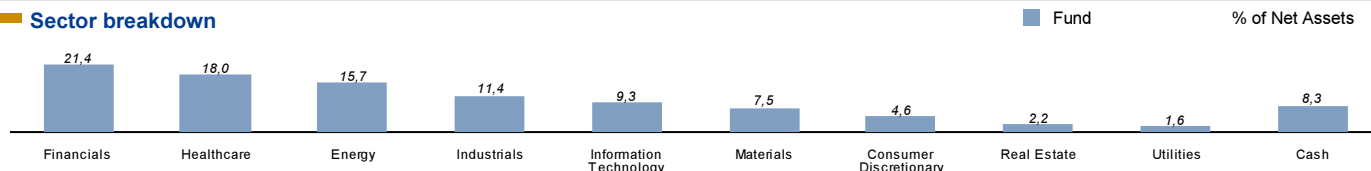
	1 month	3 months	YTD	1 year	2 years	3 years	5 years	10 years	Since inception	Annualized since inception
Class (J)	0,41	7,48	21,49	21,49	4,38	-	-	-	5,34	2,28
Index	1,93	3,65	11,23	11,23	12,06	-	-	-	16,67	6,93
NR Index	1,93	3,65	11,23	11,23	12,06	-	-	-	16,67	6,93

### Statistics (Rolling periods)

	Volatility		Tracking error		Sharpe ratio	
	52 weeks	3 years	52 weeks	3 years	52 weeks	3 years
Class (J)	20,06	-	10,66	-	1,09	-
Index	12,47	-	-	-	0,93	-

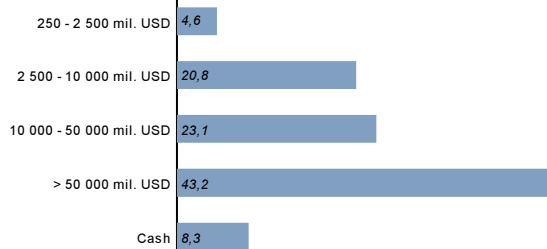
## PORTFOLIO

### Sector breakdown



### Market cap breakdown

% of Net Assets



### Top holdings

5 Main holdings (Number of holdings : 47)

	Sector	Expo (%NA)
BANK OF AMERICA CORP	Financials	4,9
METLIFE INC	Financials	4,7
JPMORGAN CHASE & CO	Financials	4,1
CHEVRON CORP	Energy	4,1
ALLERGAN PLC	Healthcare	3,5
<b>Total</b>		<b>21,2</b>

### Financial data (weighted averages)

PER 2016	PER 2017	EPS var. 2016/2017	PCF 2016	PBV 2016	Yield 2016
14,7	14,2	11,8	11,1	2,1	1,8

## PERFORMANCE TRACK RECORD (%)

### Net performance

		Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual
2014	Class (J)										0,04	2,54	2,10	
	Index										2,41	2,62	-0,30	
2015	Class (J)	-5,65	7,82	-1,95	0,79	0,51	-1,54	-2,26	-5,73	-6,66	8,23	-1,66	-5,65	-14,08
	Index	-3,03	5,67	-1,63	0,93	1,21	-1,99	2,06	-6,10	-2,53	8,39	0,22	-1,63	0,75
2016	Class (J)	-10,33	1,59	9,60	5,93	0,01	-1,39	5,20	2,76	0,25	-2,12	9,36	0,41	21,49
	Index	-5,00	-0,22	6,73	0,35	1,72	0,21	3,65	0,06	-0,02	-1,86	3,62	1,93	11,23



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## MAIN MOVEMENTS OF THE MONTH

### New positions

WHIRLPOOL CORP

### Strengthened positions

JOHNSON CONTROLS INTERNAT  
ENDO INTERNATIONAL PLC

### Sold

No position sold

### Reduced

CATERPILLAR INC  
FLUOR CORP

## PERFORMANCE ANALYSIS

### Top 5 positive performers

(from 30/11/16 to 30/12/16)

	Av. weight (%)	Contribution (%)
JPMORGAN CHASE & CO	3,97	0,31
ALLERGAN PLC	3,12	0,27
BANK OF AMERICA CORP	4,91	0,25
BOMBARDIER INC	1,63	0,24
CHEVRON CORP	4,03	0,24

### Top 5 negative performers

(from 30/11/16 to 30/12/16)

	Av. weight (%)	Contribution (%)
POLO RALPH LAUREN CORP	1,99	-0,26
TECK RESOURCES LTD	1,09	-0,25
JOHNSON CONTROLS INTERNA	1,81	-0,14
ALLEGHENY TECHNOLOGIES IN	1,61	-0,14
MACY'S INC	0,93	-0,14

## STATISTICS & PERFORMANCE ANALYSIS

### Statistics (Rolling periods)

	52 weeks (week. perf.)
Volatility	20,06
Tracking error	10,66
Information ratio	0,96
Sharpe ratio	1,09
Alpha	0,10
Beta	1,42
R2	0,78
Correlation	0,89

### Performance Analysis

	Since inception (month. perf.)
% of positive performances	57,14
Minimum yield	-16,34
Maximum yield	21,79
Payback period	79 day(s)

## FUND CHARACTERISTICS

### Share characteristics

Net asset value (EUR) :	102,75
Class creation date (D) :	22/01/2016
ISIN code :	LU1207314599
Bloomberg code :	EDUYJEH LX
Lipper code :	68333331
Telekurs code :	27517334
Distribution :	Distribution
Latest coupon :	1,74 on the 02/08/2016

Subscribers Type : Institutional investors

### Fund Managers

Christophe FOLIOT, Adeline SALAT-BAROUX

### Fund characteristics

#### Legal status

Sub-fund launch date : 22/01/2016

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)

Administration : Edmond de Rothschild

Valuation : Daily

Asset Management (Luxembourg)

Decimalised : 3 decimals

Depositary : Edmond de Rothschild

Initial minimum subscription : 500 000 EUR (1)

(Europe)

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 : 0,75%

Subscription fees Max./Real : no / no

Performance fees : no (1)

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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## SUBSCRIBERS TYPE

Marketing country	Investors involved in marketing
Austria Switzerland Germany Spain Finland France United Kingdom Luxembourg Netherlands Sweden	All
Chile Italy 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 the currency of units denominated in a currency other than that of the UCI
- Risk linked to derivatives
- Currency risk
- Liquidity risk
- Interest rate risk
- Risk linked to financial and counterparty contracts
- Equity risk
- Credit risk
- Discretionary management 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:

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Germany	: MARCARD, STEIN & Co GmbH & Co KG	Ballindamm 36	20095 Hamburg	Germany
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Italy	: BNP Paribas Securities Services, Succursale di Milano	Via Ansperto 5	Milan	Italy
Italy	: State Street Bank GmbH, Succursale Italia	Via Ferrante Aporti 10	Milan	Italy
Italy	: Société Générale Securities Services S.p.A.	Via Benigno Crepsi 19A	MAC2 Milan	Italy
Luxembourg	: Edmond de Rothschild Asset Management (Luxembourg)	20, boulevard Emmanuel Servais	L-2535 Luxembourg	Luxembourg
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United Kingdom	: Société Générale Securities Services Custody London	Exchange House - 12 Primrose Street	EC2A 2EG London	United Kingdom

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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): **Chile or 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.

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.

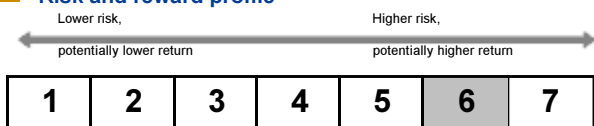
The **PCF = Price to Cash Flow**. This is the ratio between the price of a share and the cash-flow generated per share (Cash flow per share). The result is the weighted average of the PCF of the securities in the portfolios.

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 **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.

## RISK SCALE

### Risk and reward profile



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 6, reflecting that it can be up to 110% exposed to equities markets, which presents a high risk/reward profile.

## HISTORICAL DATA

### Benchmark modification history

S&amp;P 500 (NR)

### Coupons distributed in Euro

	Date	Amount
Coupon	02/08/2016	1,74
Coupon	15/01/2016	0,38
Coupon	09/06/2015	0,14
Coupon	18/12/2014	0,22