



EDR FUND CONVERTIBLE EUROPE ALL CAPS N-EUR

EdR Fund Convertible Europe All Caps N-EUR

EUROPE CONVERTIBLE BONDS SICAV

EDMOND DE ROTHSCHILD ASSET MANAGEMENT

CORPORATE DEBT

Fund size : EUR 225,67 mil.

GENERAL INFORMATION

Investment objective

The objective of this Sub-Fund is to achieve medium term capital growth by managing a portfolio of fixed income securities convertible into stock of companies domiciled in European countries or exercising a preponderant part of their economic activity in that region.

Monthly comment

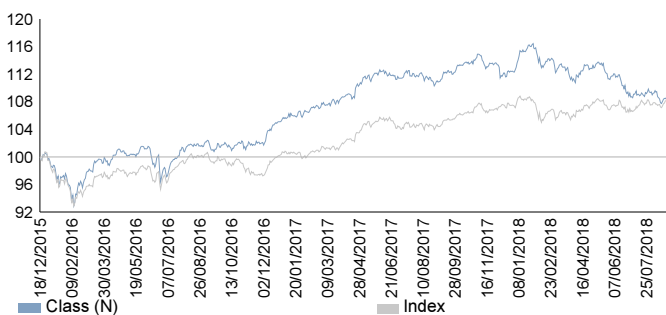
August saw a return of volatility (VIX rose by +10.48% over the month), especially in emerging markets. Turkey was the starting point with the threat from the United States to increase tariffs on Turkish steel and aluminum imports. The fall in the Turkish lira had contagion effects on weak currencies such as the South African Rand, the Argentine Peso, and even more generally on South America but also on banking stocks in the Euro Zone that have exposure to Turkey. In a flight to quality German and US rated declined by 10 bps and peripheral country spreads widened, led by Italy on speculation over its budget and a likely conflict with Brussels in September. In this context European equities underperformed with Eurostoxx 600 finishing August in red at -2.39%. Regarding leading indicators, PMIs were slightly below expectations overall, the levels remain very high at over 54 on both sides of the Atlantic. Finally, we should also note the end of the publication season with 72.1% of companies beating expectations for revenues and 84.2% for earnings in the US and 60.7% and 51.7% respectively for European companies. On the primary CB side we saw 4.6 bn USD of new issues across 15 deals but no new deals in Europe. We increased our position in STM 2022, as we think the selloff post results was exaggerated. We restrikted the Saint-Gobain calls as we remain positive on the name (low company valuation multiple not in line with its growth, strong balance sheet and upcoming catalysts like asset disposals, reorganization and potential buybacks). We also restrikted lower our position in Deutsche Post call option after reassuring Q2 results with DHL Global Forwarding showing signs of improvement.

PERFORMANCES

Benchmark (Index) : Exane Euro Convertibles Index (EUR)

Index : Benchmark specified in the prospectus, dividend reinvested.

Net performance chart (from 18/12/15 to 31/08/18)



Cumulative performances (Net of fees) (Rolling periods)

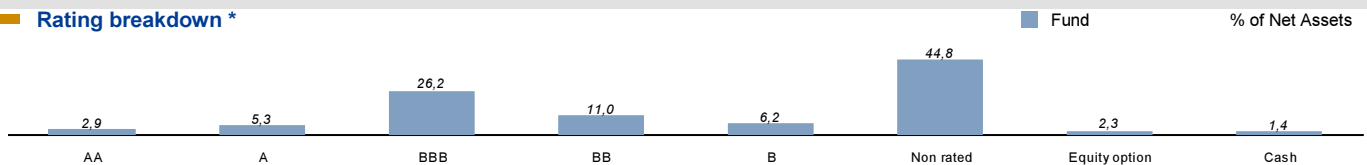
	1 month	3 months	YTD	1 year	2 years	3 years	5 years	10 years	Since inception	Annualized since inception
Class (N)	-0,78	-2,45	-3,44	-2,14	6,87	-	-	-	8,45	3,05
Index	0,75	1,39	0,87	3,64	8,36	-	-	-	8,32	3,00

Statistics (Rolling periods)

	Volatility		Tracking error		Sharpe ratio	
	52 weeks	3 years	52 weeks	3 years	52 weeks	3 years
Class (N)	5,46	-	3,55	-	-0,36	-
Index	4,43	-	-	-	0,87	-

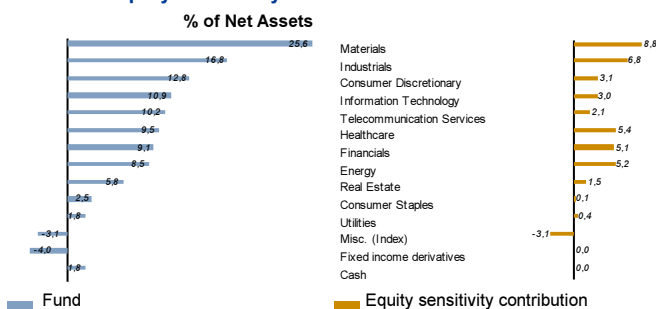
PORTFOLIO

Rating breakdown *



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

Sector equity sensitivity contribution*



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

Top holdings

5 Main holdings (Number of holdings : 54)

	Sector	Expo (%NA)
BAYER AG - 15/06/2020	Materials	3,9
TITIM 1 1/8 03/26/22	Telecommunication Services	3,6
QGEN 0 1/2 09/13/23	Healthcare	3,5
AGSBB 0 08/29/49	Financials	3,3
VLHM 4 05/08/19	Industrials	3,2
Total		17,4

Actuarial data (weighted averages)

Equity Sensitivity	Modified Duration	Yield (1)	Running yield	Spread	Maturity (2)	Duration	Rating (2/3)
38,29	1,71	0,70	1,17	244,08	5,09	3,22	BBB-

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

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

PERFORMANCE TRACK RECORD (%)

Net performance

		Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual
2016	Class (N)	-2,76	-0,71	2,88	0,84	0,96	-3,28	3,28	0,13	0,27	0,36	-0,09	3,12	4,86
	Index	-3,77	-1,62	2,40	0,13	0,90	-1,48	2,43	0,58	-0,33	-0,59	-1,48	2,85	-0,21
2017	Class (N)	0,50	1,36	1,44	1,55	1,34	-0,60	0,35	-0,71	1,63	1,61	-0,76	-1,11	6,75
	Index	-0,62	1,26	1,00	1,47	1,59	-0,97	0,14	0,23	1,22	1,50	-0,32	0,33	6,99
2018	Class (N)	2,99	-1,52	-2,29	1,37	-1,46	-1,75	0,06	-0,78					
	Index	0,45	-1,01	-0,59	1,36	-0,70	0,14	0,50	0,75					

Only performances over full periods are shown.



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MAIN MOVEMENTS OF THE MONTH

New positions

No new position

Strengthened positions

STMICROELECTRONICS NV - 0

Sold

SOLIDIUM OY 0.5 04/09/20

Reduced

IBESM 0 11/11/22

PERFORMANCE ANALYSIS

Top 5 positive performers

(from 31/07/18 to 31/08/18)

	Av. weight (%)	Contribution (%)
QGEN 0 1/2 09/13/23	3,46	0,17
NYRBB 5 07/11/22	1,66	0,14
NYRBB 6 7/8 03/15/24	1,28	0,13
SIKA 0.15 06/05/25	2,00	0,11
SAFFP 0 12/31/20	2,47	0,09

Top 5 negative performers

(from 31/07/18 to 31/08/18)

	Av. weight (%)	Contribution (%)
BAYER AG - 15/06/2020	3,94	-0,20
CASINO(RALLYE) 5.25% 2022	0,88	-0,16
OUTOKUMPU OYJ 2.75 26/02	2,45	-0,07
SALZGITTER FINANCE B.V 0	2,22	-0,06
FUGRO N.V - 02/11/2024	1,41	-0,06

STATISTICS & PERFORMANCE ANALYSIS

Statistics (Rolling periods)

	52 weeks (week. perf.)
Volatility	5,46
Tracking error	3,55
Information ratio	-1,64
Sharpe ratio	-0,36
Alpha	-0,11
Beta	0,94
R2	0,58
Correlation	0,76

Performance Analysis

	Since 18/12/2015 (month. perf.)
% of positive performances	60,61
Minimum return	-5,00
Maximum return	3,64
Payback period	42 day(s)

FUND CHARACTERISTICS

Share characteristics

Net asset value (EUR) :	108,45
Class creation date :	18/12/2015
ISIN code :	LU1232206091
Bloomberg code :	EDRNEUR LX
Lipper code :	65126886
Telekurs code :	28104543
Distribution :	Accumulation
Latest coupon :	-

Fund Managers

Alina EPIFANTSEVA, Ludovic DUFOUR

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

Fund characteristics

Legal status

Sub-fund launch date : 06/03/2001

Fund domicile : Luxembourg

Recommended investment period : > 2 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 : 10 000 000 EUR

(Europe)

(1)

Subscription & Redemption conditions : Daily before 12.30 pm C.E.T. on day's net asset

value (1)

Management Subscription/Redemption fees

Actual management fees : 0,4%

Subscription fees Max./Real : no / no

Performance fees : no (1)

Redemption fees Max./Real : no / no

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SUBSCRIBERS TYPE

Marketing country	Investors involved in marketing
Switzerland Germany Spain France Luxembourg	All
Italy	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).

This UCITS does not provide a benchmark index to compare its management.

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

- Liquidity risk
- Credit risk
- Discretionary management risk
- Risk linked to the currency of units denominated in a currency other than that of the UCI
- Equity risk
- Capital risk
- Risk linked to financial and counterparty contracts
- Interest rate risk
- Currency 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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Italy	: BNP Paribas Securities Services, Succursale di Milano	Via Ansperto 5	Milan	Italy
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	: Alifunds Bank S.A.	Via Santa Margherita 7	20121 Milan	Italy
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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 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.

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.



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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 **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.

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

SPREAD DURATION is an estimate of the change in a bond's price relative to a 100-basis-point movement in its option-adjusted spread. This measure is often used to quantify a portfolio's sensitivity to changes in 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.

INVESTISSEMENT GRADE (IG) is a term used to define bond issues with a low level of risk whose financial ratings range from AAA to BBB- according to the Standard & Poor's scale. The risk of default of such issues is low, and their level of remuneration is much lower than that of high-yield issues.

HIGH YIELD (HY) is a term used to define speculative bond issues whose financial ratings are strictly below BBB- according to the Standard & Poor's scale. The remuneration of such issues is high, but the counterparty default risk is also high.

Subordinated debts are issues for which lenders agree to be disadvantaged compared to other more senior creditors in the event of default of the borrower. Some of the most common subordinated debts include issues where the contract between the lender and borrower sets out repayment terms only after all other senior creditors are repaid. Subordinated junior debt has further constraints, and is considered as junior to subordinated debt. In consideration of these constraints which adversely affect lenders' risk, said lenders will expect greater remuneration and other benefits set out in the conditions of issue.

MATURITY AT THE NEXT CALL is the date of the next repayment of the bond. The bond issuer may include a clause to repay part of the capital before final maturity at a determined price. In general, these clauses schedule initial and final periods during which repayment is not possible. These bonds are said to be "callable".

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".



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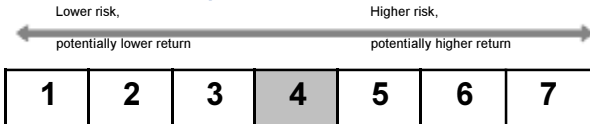
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RISK SCALE

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

HISTORICAL DATA

Benchmark modification history

Exane Euro Convertibles Index (EUR)