

French Mutual Fund

MILLESIMA 2021

ANNUAL REPORT

as at 31 December 2019

Management Company: Edmond de Rothschild Asset Management (France)

Custodian: Edmond de Rothschild (France)

Statutory Auditor: PricewaterhouseCoopers Audit

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1. CHARACTERISTICS OF THE UCI

- **LEGAL FORM**

French Mutual Fund.

- **CLASSIFICATION**

Bonds and other debt securities denominated in euros.

- **PROCEDURES FOR THE DETERMINATION AND ALLOCATION OF DISTRIBUTABLE INCOME**

<i>Distributable income</i>	<i>C, CR, E, I and I USD H units</i>	<i>D and ID units</i>
Allocation of net income	Accumulation	Distribution
Allocation of net realised gains or losses	Accumulation	Accumulation (in full or in part) or Distribution (in full or in part) or Carried forward (in full or in part), at the discretion of the Management Company

Where distribution units are concerned, the Management Company of the UCITS may decide to pay one or more interim dividends on the basis of the financial positions certified by the Statutory Auditor.

- **EXPOSURE TO OTHER UCITS, AIFS OR FOREIGN INVESTMENT FUNDS**

Up to 10% of its net assets.

- **MANAGEMENT OBJECTIVE**

Millesima 2021 aims to obtain an annual performance, net of management fees, exceeding 3.6% for the E unit, 3.8% for the C and D units, 3.95% for the I USD H unit and 4.4% for the CR, I and ID units over the recommended holding period, i.e. from the Fund's launch date to 31 December 2021.

- **BENCHMARK INDEX**

The UCITS has no benchmark index. Its investment scope is not represented by existing indices.

- **INVESTMENT STRATEGY**

The strategy implemented aims to create a buy-and-hold portfolio of securities, maturing on 31 December 2021, that are intended to be retained by the UCITS until maturity and which will be representative of the expectations of the Management Company regarding the high-yield credit markets (speculative securities for which the risk of issuer default is higher) of member countries of the OECD, the G20, the European Economic Area or the European Union (with no restriction on geographic distribution); the UCITS may also invest up to 20% of its net assets in emerging countries outside the geographic areas outlined above.

The manager will seek to select the most attractive issues in order to maximise the portfolio's risk/return ratio. It will therefore show a degree of stability in its allocation, though the allocation may be subject to adjustments intended to reflect the management team's convictions.

Securities maturing on or before 31 December 2021 will be held by the UCITS until maturity.

Securities maturing before 31 December 2021 will be reinvested in other bond or money market securities under the prevailing market conditions.

Securities maturing after 31 December 2021 will be sold by 31 December 2021 at the latest under the prevailing market conditions.

The UCITS may be fully invested in short-term securities with maturities of less than 3 months, particularly during its launch phase.

From 1 January 2022, the UCITS will be managed on the money market and with reference to the average overnight rate for the euro money market (Eonia). After approval from the AMF, the UCITS will then opt either for a new investment strategy or for dissolution, or it will be merged with another UCITS.

To achieve the management objective, the strategy will primarily combine a sector-based approach and credit analysis.

· Top-down approach

The top-down approach is, first and foremost, based on a macroeconomic analysis of the various sectors or countries explored within the context of the portfolio allocation. It allows the management team to determine specific market scenarios based on their predictions.

This analysis makes it possible to define, in particular:

- the degree of exposure to different economic sectors,
- the distribution between various ratings within the Investment Grade and High Yield categories (speculative securities for which the risk of issuer default is higher).

The top-down analysis provides a comprehensive overview of the portfolio. This is complemented by a stock-picking process (bottom-up approach).

· Bottom-up approach

The aim of this approach is to identify those issuers within a particular sector that provide better relative value than others and therefore seem to be the most attractive.

The way issuers are selected is based on a fundamental analysis of each company.

The fundamental analysis focuses on the evaluation of criteria such as:

- the clarity of the company's strategy;
- its financial health (consistency of cash flow through different economic cycles, ability to honour its debts, etc.);
- the "strategic" nature of the company, to predict the likelihood of government intervention in the event of default or a significant deterioration of its financial situation.

Within the scope of the selected issuers, the choice of exposures will be based on characteristics such as the issuer's rating, the liquidity of the securities, or their maturity.

The fundamental analysis model, intended to identify the securities with the highest upside potential, is based on a structure of managing analysts specialising in credit markets. Following an in-depth analysis of the various companies, the bottom-up process is further refined. The process leads to the choice of preferred investment instruments (securities, credit default swaps, etc.) for exposure to selected issuers.

In order to hedge its assets and/or achieve its management objective, and without seeking overexposure, the UCITS may use financial contracts traded on regulated markets (futures, listed options), or over-the-counter markets (options, swaps, etc.), up to a limit of 100% of its net assets. In this situation, the manager may obtain exposure to or synthetically hedge indices, industry sectors or geographic regions. To this end, the UCITS may take positions to hedge the portfolio against certain risks (interest rate, credit, foreign exchange) or to assume exposure to interest rate risk and credit risk. With this in mind, the manager may adopt strategies chiefly aimed at anticipating or protecting the UCITS against the risk of default by one or more issuers or exposing the portfolio to the credit risks of one or more issuers. These strategies will be implemented by purchasing or selling protection via credit default swap credit derivatives, on a single benchmark entity or on indices (iTraxx or CDX).

It may also implement strategies that aim to mitigate currency risks and/or manage interest rate risk through the use of financial contracts, particularly futures, options, forward contracts or swaps.

The UCITS' modified duration may vary between 0 and 6.

· Exposure to the equity market and to convertible bonds

None.

· Currencies

The euro currency risk will be hedged. Nevertheless, a residual currency risk may remain.

· **Portfolio assets**

- **Debt securities and money market instruments (up to 100% of the net assets, with a maximum of 100% directly invested in securities):**

General characteristics

Sensitivity to interest rates	-	[0; 6]
Geographic region of issuers	OECD, G20, European Economic Area or European Union	Up to 100%
	All geographic regions, including emerging countries	Up to 20%

Breakdown of private/public debt:

Up to 100% of the portfolio in private debt from issuers located in a Member State of the OECD, the European Union, the European Economic Area and the G20. Up to 20% of the portfolio's net assets may be invested in private debt from issuers domiciled in emerging countries.

Up to 35% of the portfolio may also be invested in the public debt of a state or entity of a Member State of the OECD, the European Union, the European Economic Area and the G20.

Criteria related to ratings:

The portfolio may invest in high-yield securities (speculative securities for which the risk of issuer default is higher) that may be considered speculative (with a long-term Standard & Poor's or equivalent rating below BBB- or with an equivalent internal rating from the Management Company). The portfolio may invest up to 10% of its net assets in securities rated between CCC+ and CCC-; the remaining securities will have a minimum rating of B-.

Taking into account the existence of a maximum maturity for the Fund, the portfolio may invest up to 100% of its net assets in "investment grade" securities (with a long-term Standard and Poor's rating or equivalent above BBB- or with an equivalent internal rating from the Management Company) in the form of bonds, debt securities or money market instruments.

Thus, as the Fund approaches the end of its term, and as a result of the portfolio securities reaching maturity, money market instruments will be the preferred choice for reinvestments (either directly or through a UCI).

The UCITS may be fully invested in short-term securities with maturities of less than 3 months, particularly during its launch phase.

The selection of securities is not based automatically and exclusively on the rating criterion. It is mainly based on an internal analysis. Prior to each investment decision, the Management Company analyses each security on criteria other than its rating. In the event that an issuer's rating is downgraded (Standard & Poor's rating or an equivalent internal rating from the Management Company), the Management Company must conduct a detailed analysis in order to decide whether to sell or retain the security, so as to maintain the rating objective.

Legal form:

Debt securities of all kinds including, in particular:

- Fixed, variable or adjustable rate bonds,
- EMTNs (Euro Medium Term Notes),
- Inflation-linked bonds,
- Negotiable debt securities,

- Savings certificates,
- BTFs (French fixed-rate short-term discount treasury bills),
- Treasury bills,
- Euro Commercial Papers (short-term negotiable securities issued in euros by a foreign entity),
- Short-term negotiable securities,
- Medium-term negotiable securities.

The portfolio may invest in PIK notes (payment-in-kind notes are bonds for which interest payments are not made systematically in cash).

· **Shares or units of other French undertakings for collective investment or other foreign UCITS, AIFs or investment funds:**

The UCITS may hold up to 10% of its assets in units or shares of French or foreign UCITS, AIFs or retail investment funds or foreign investment funds, or any foreign investment fund that meets the four conditions set out in Article R. 214-13 of the French Monetary and Financial Code, classed as money market or bond funds. These UCIs may be managed by the Management Company or by an affiliated company.

· **Financial contracts (subject to an overall off-balance sheet limit of 100% of the net assets):**

In order to significantly limit the total counterparty risk of instruments traded over the counter, the Management Company may receive cash collateral which will be deposited with the custodian and will not be reinvested.

Types of markets invested in:

In order to hedge its assets and/or achieve its management objective, without seeking overexposure, the UCITS may use financial contracts traded on regulated markets (futures, listed options) or over-the-counter markets (options, swaps, etc.). In this situation, the manager may obtain exposure to or synthetically hedge indices, industry sectors or geographic regions. To this end, the UCITS may take positions to hedge the portfolio against certain risks (interest rate, credit, foreign exchange) or to assume exposure to interest rate risk and credit risk.

Risks in which the manager intends to trade:

- Interest rate risk
- Currency risk
- Credit risk

Types of trade:

- Hedging
- Exposure

Strategy for the use of derivatives:

- Hedging the portfolio against certain risks (interest rate, credit, currency risk)
- Exposing the portfolio to interest rate risks
- Reconstitution of a synthetic exposure to assets and risks (interest rate, credit)
- Increasing exposure to the market

Types of instruments used:

- Interest rate options
- Forward rate agreements
- Interest rate futures
- Interest rate swaps
- Currency options
- Currency swaps
- Currency futures
- Credit derivatives (credit default swaps)

The UCITS will not use total return swaps.

The maturity dates of financial contracts will be consistent with the UCITS' investment horizon.

The exposure to these financial instruments, markets, rates and/or some of their parameters or components resulting from the use of financial contracts cannot exceed 100% of the net assets.

• **Securities with embedded derivatives (up to 100% of the net assets):**

To achieve its management objective, the UCITS may invest in callable and puttable bonds, structured Euro Medium Term Notes (EMTNs) or warrants.

• **Cash borrowings:**

The UCITS does not intend to borrow cash. However, a liability position may exist from time to time due to transactions associated with the UCITS' cash flow (investments and divestments in progress, subscription/redemption transactions, etc.), up to a limit of 10% of its net assets.

• **Temporary purchases and sales of securities:**

In the interests of efficient portfolio management and without deviating from its investment objectives, the UCITS may make temporary purchases and sales of securities involving eligible financial securities or money market instruments, up to 100% of its net assets. More precisely, these transactions will consist of repurchase and reverse repurchase agreements linked to interest-rate and credit securities issued in eurozone countries, and will be carried out in the context of cash management and/or the optimisation of the UCITS' income.

The expected proportion of assets under management which will be the subject of such transactions will be 10% of the net assets.

The counterparties of these transactions are first-rate credit institutions domiciled in OECD countries that have a minimum "investment grade" rating (rating greater than or equal to BBB- by Standard & Poor's or equivalent, or a rating deemed equivalent by the Management Company).

These counterparties do not have any influence on the composition or management of the UCITS' portfolio. In order to significantly limit the total counterparty risk of instruments traded over the counter, the Management Company may receive cash collateral that will be deposited with the custodian and will not be reinvested.

Further information on the remuneration for temporary sales and purchases of securities is provided in the "Charges and fees" section.

• **RISK PROFILE**

Your money will be invested primarily in financial instruments selected by the Management Company. These instruments will be subject to market trends and fluctuations.

The risk factors described below are not exhaustive. It is the responsibility of each investor to analyse the risk associated with such an investment and to form their own opinion independently of the Edmond de Rothschild Group, by obtaining as much specialist advice on such matters as is necessary to ensure that this investment is appropriate for their financial and legal position and investment horizon.

- Risk of capital loss:

The UCITS does not offer any guarantee or protection; investors may, therefore, not recover the full amount of the capital initially invested, even if they retain the units for the whole of the recommended investment period.

- Discretionary management risk:

The discretionary management style is based on anticipating trends in the various markets (equities, bonds, money market, commodities and currencies). There is a risk that the UCITS may not be invested in the best-performing markets at all times. The UCITS' performance may therefore fall short of the management objective, and a drop in its net asset value may result in negative performance.

- Credit risk:

The main risk linked to debt securities and/or money market instruments such as treasury bills (BTFs and BTANs) or short-term negotiable securities is that of issuer default, due either to the non-payment of interest and/or the non-repayment of capital. Credit risk is also associated with the downgrading of an issuer. Unitholders are reminded that the net asset value of the UCITS is likely to fall if a total loss is recorded on a financial instrument following default by an issuer. The inclusion of debt securities in the portfolio, whether directly or through UCIs, exposes the UCITS to the effects of variations in credit quality.

- Credit risk linked to investment in speculative securities:

The UCITS may invest in issues from companies rated as "non-investment grade" by a rating agency (with a rating below BBB- from Standard & Poor's or equivalent) or an equivalent internal rating from the Management Company. These issues are known as speculative securities and present a higher risk of issuer

default. This UCITS should therefore be considered as partly speculative and intended specifically for investors who are aware of the risks inherent in investing in such securities. As a result, the use of high-yield securities (speculative securities with a higher risk of issuer default) may incur a greater risk of a fall in the net asset value.

- Interest rate risk:

Exposure to interest rate products (debt securities and money market instruments) makes the UCITS sensitive to fluctuations in interest rates. Interest rate risk may result in a fall in the value of the security, and therefore in the net asset value of the UCITS in the event of a change in the yield curve.

- Risk associated with investing in emerging markets:

The UCITS may be exposed to emerging markets. In addition to the individual risks of each issuing company, there are also external risks, particularly in these markets. Furthermore, investors are reminded that the operating and oversight conditions in these markets may differ from the standards that prevail on major international exchanges. Consequently, the holding of such securities may increase the portfolio's risk profile.

A fall in the market may thus be more pronounced and rapid than in developed countries, the net asset value may fall further and more rapidly, and finally, the companies held in the portfolio may have governments as shareholders.

- Liquidity risk:

The markets in which the UCITS trades may occasionally be affected by a lack of liquidity. These market conditions may affect the prices at which the UCITS may have to liquidate, initiate or modify positions.

- Risk associated with derivatives:

The UCITS may invest in forward financial instruments (derivatives).

The use of financial contracts may incur the risk of a sharper, more abrupt fall in the net asset value than in the markets in which the UCITS invests.

- Counterparty risk:

Counterparty risk results from the use by the UCITS of financial contracts traded on over-the-counter markets and/or temporary purchases and sales of securities. Such transactions potentially expose the UCITS to the risk of counterparty default and to the potential risk of a fall in its net asset value.

- Risks associated with temporary purchases and sales of securities:

The use of these transactions and the management of their collateral may involve certain specific risks such as operational risks or custody risk. These transactions may therefore have a negative effect on the net asset value of the UCITS.

- Legal risk:

This is the risk of inadequately drafting contracts concluded with counterparties for temporary purchases and sales of securities.

- **GUARANTEE OR PROTECTION**

None.

- **TARGET SUBSCRIBERS AND TYPICAL INVESTOR PROFILE**

C, D and E units: all subscribers

CR units: All subscribers; these units may be marketed to retail investors (non-professional or professional) exclusively in the following cases:

- Subscription as part of independent advice provided by a financial advisor or regulated financial entity,
- Subscription as part of non-independent advice, with a specific agreement that does not authorise them to receive or retain trailer fees,
- Subscription by a financial entity regulated on behalf of its client as part of a management mandate.

In addition to the management fees charged by the Management Company, each financial advisor or regulated financial entity may be liable to pay the management or advisory fees incurred by each investor. The Management Company is not party to such agreements.

Units are not registered for marketing in all countries. They are therefore not open to subscription for retail investors in all jurisdictions.

I, I USD H and ID units: Legal entities and institutional investors trading on their own behalf or on behalf of third parties, as well as all unitholders who subscribed to the UCITS before 07/02/2019.

The person responsible for ensuring that the criteria related to the capacity of subscribers or purchasers have been observed, and that they have received the required information, is the person entrusted with effectively implementing marketing for the UCI.

This UCITS is intended for investors wishing to optimise their bond investments through a portfolio that aims to generate a regular return that exceeds a French government loan maturing in October 2021, over the recommended investment period.

The units of this UCITS are not and will not be registered in the United States under the US Securities Act of 1933, as amended ("Securities Act 1933"), or under any other law of the United States. These units may not be offered, sold or transferred to the United States (including its territories and possessions) or benefit, directly or indirectly, any US Person (as defined by Regulation S of the Securities Act 1933).

The appropriate amount to invest in this UCITS depends on your individual circumstances. To determine this amount, investors are advised to seek professional advice in order to diversify their investments and determine the proportion of their financial portfolio or assets to be invested in this UCITS, more specifically in view of: the recommended investment period, exposure to the aforementioned risks, their personal wealth, their requirements and their specific objectives. In any event, unitholders must diversify their portfolio sufficiently to avoid being exposed solely to the risks of this UCITS.

- Minimum recommended investment period: until 31 December 2021.

2. CHANGES AFFECTING THE UCI

- 1- Various updates made on 07/02/2019:
 - Rates of charge and fees updated to December 2018 (KIID),
 - Performance figures updated to December 2018 (KIID),
 - In accordance with AMF Instructions 2011-19 and 2011-2020: insertion of a table concerning the subscription and redemption procedures,
 - Change to wording concerning target subscribers of institutional units.

3. MANAGEMENT REPORT

Since the beginning of the year, the credit risk premiums (spreads) have **tightened** from 4 January 2019 (-58 bps for Investment Grade securities, -76 bps for BBB, -190 bps for High Yield and -125 bps to -400 bps for subordinated financial debts) thus generating positive performance across all credit segments.

At the end of December 2019, the High Yield and Investment Grade categories recorded performances of +11.29% and +6.25% respectively.

Millesima 2021 is a short duration HY fund and our allocation (did not change in 2019 compared to 2018). The Fund therefore contributed to the overall performance of the various High Yield sectors.

In the end, volatility was quite high on risk-free rates. During the financial year, we were able to observe 10-year German rates evolving in three distinct periods: they increased from -0.25% to 0% between January and May 2019, then rates fell sharply from 0% to -0.70% between May and September, before making a return at the end of the year to a level of -0.25%. Against this backdrop of volatile risk-free rates, all risky bond assets performed well. The Fund was relatively insensitive to these interest rate changes during the year.

The iTraxx CrossOver index fell sharply throughout the year from 375 bps to 208 bps, with two periods of spreads widening in April 2019 and at the end of July 2019.

Risk premiums tightened sharply at the end of the year, with average spreads of 268 bps for the HY€.

With a fall in assets under management, the money market remained relatively high between 13.57% and 12.49% at the end of the financial year.

The average spread of the Fund as at 31/12/2019 is **78 bps** (354 bps as at the end of 12/2018) with an average rating of **BB+** and rate sensitivity of **0.95**. The portfolio's average coupon is 3.51.

The Fund has €125.37 million in assets under management.

At the beginning of the financial year, the Fund had €166.65 million in assets under management.

Over the year, the C EUR unit denominated in EUR posted performance of 2.70%.

Over the year, the CR EUR unit denominated in EUR posted performance of 2.86%.

Over the year, the D EUR unit denominated in EUR posted performance of 2.70%.

Over the year, the E EUR unit denominated in EUR posted performance of 2.50%.

Over the year, the I EUR unit denominated in EUR posted performance of 3.32%.

Over the year, the ID EUR unit denominated in EUR posted performance of 3.32%.

Over the year, the I USD H unit denominated in USD posted performance of 6.10%.

Past performance is not an indication of future performance.

Main changes to the portfolio during the financial year

Securities	Changes ("Accounting currency")	
	Purchases	Sales
Edmond de Rothschild Credit Very Short Term R	11,999,586.29	15,996,628.79
TESCO CORP 2.125% 11/20	3,612,192.61	3,561,800.63
OI EUROPEAN 6.75% 15.09.2020	3,419,671.88	3,343,041.10
SMURFIT KAPPA ACQUISITIONS 3.25% 03-10-19	1,495,587.83	3,011,847.04
BALL 3.5% 15-12-20	4,236,814.47	0.00
LINC FINA LIM 6.875% 15-04-21	0.00	4,068,750.00
ALTICE EUROPE NV 7.25% 15-05-22	0.00	3,820,951.37
TEVA PHAR FIN 0.375% 25-07-20	2,582,435.54	1,011,100.84
EIRC FINA 4.5% 31-05-22	0.00	3,539,375.00
SCHAEFFLER VERWALTUNG ZWEI GMBH 2.75% 15-09-21	1,178,465.16	2,331,625.00

SECURITIES FINANCING TRANSACTION REGULATION (“SFTR”)

During the year, the UCI was not involved in transactions subject to Regulation (EU) 2015/2365 on the transparency of securities financing transactions and of reuse (“SFTR Regulation”).

• **EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES AND DERIVATIVES**

a) **Exposure obtained through efficient portfolio management techniques and derivatives**

- Exposure obtained through efficient portfolio management techniques: **None**.
- Underlying exposure obtained through derivatives: **1.23%**.

b) **Identity of the counterparty/counterparties to efficient portfolio management techniques and derivatives**

Efficient management techniques	Derivatives (*)

(*) Except listed derivatives.

c) **Collateral received by the UCITS in order to reduce counterparty risk**

Types of instrument	Amount in the portfolio currency
<p>Efficient management techniques</p> <ul style="list-style-type: none"> . Term deposits . Equities . Bonds . UCITS . Cash (**) <p style="text-align: right;">Total</p>	
<p>Derivatives</p> <ul style="list-style-type: none"> . Term deposits . Equities . Bonds . UCITS . Cash <p style="text-align: right;">Total</p>	

(**) The Cash account also includes liquidity resulting from repurchase agreements.

d) Operating income and expenses linked to efficient management techniques

Operating income and expenses	Amount in the portfolio currency
. Income (***)	
. Other income	
Total income	
. Direct operating expenses	
. Indirect operating expenses	
. Other expenses	
Total expenses	

(***) Income received on loans and reverse repurchase agreements.

4. STATUTORY INFORMATION

- **METHOD FOR CALCULATING TOTAL RISK (AMF INSTRUCTION No. 2011-15 – ARTICLE 16)**

The UCITS uses the commitment method to calculate the total risk associated with financial contracts.

- **INFORMATION ON TRANSACTIONS INVOLVING SECURITIES IN WHICH THE GROUP HAS SPECIAL INTERESTS**

This information is available in the annual financial statements in the section: GROUP FINANCIAL INSTRUMENTS HELD IN THE PORTFOLIO.

- **BEST SELECTION AND BEST EXECUTION POLICY**

Edmond de Rothschild Asset Management (France) has developed a Best Selection/Best Execution Policy for intermediaries and counterparties. The purpose of this policy is to select, according to various predetermined criteria, the brokers and intermediaries whose execution policy will achieve the best possible results when executing orders.

This document is available on the Edmond de Rothschild Asset Management (France) website, in the Statutory information section: www.edmond-de-rothschild.com.

- **SELECTION AND EVALUATION POLICY FOR SERVICE PROVIDERS SUPPLYING INVESTMENT DECISION SUPPORT SERVICES**

Edmond de Rothschild Asset Management (France) has developed a policy for selecting and evaluating entities that provide it with investment decision support services, taking into account the criteria relating in particular to the quality of the financial analysis produced. This document is available on the Edmond de Rothschild Asset Management (France) website, in the Statutory information section: www.edmond-de-rothschild.com.

- **REPORT ON INTERMEDIATION FEES**

In accordance with Article 319-18 of the AMF General Regulations, the Management Company has drawn up a "Report on intermediation fees". This document is available on the Edmond de Rothschild Asset Management (France) website, in the Statutory information section: www.edmond-de-rothschild.com.

- **COMMUNICATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE QUALITY (ESG) CRITERIA**

Information about the ESG criteria is available on the website at www.edram.fr.

- **REMUNERATION POLICY AND PRACTICES APPLICABLE TO THE MANAGER'S PERSONNEL**

Edmond de Rothschild Asset Management (France) has a remuneration policy that complies with the provisions of European Directive 2009/65/EC ("UCITS V Directive") and Article 321-125 of the AMF General Regulations which apply to UCITS.

The Edmond de Rothschild Asset Management (France) remuneration policy has been adopted by its Supervisory Board on the recommendation of the Remuneration Committee. It applies to all employees of Edmond de Rothschild Asset Management (France).

The remuneration policy promotes the sound and effective management of risk and does not encourage risk-taking that would be inconsistent with the risk profiles of the UCITS it manages. The Management Company has implemented adequate measures to prevent any conflict of interest.

The goal of the remuneration policy is to provide a reasonable and appropriate remuneration framework including a fixed basic salary and a variable portion determined on the basis of quantitative and qualitative criteria in accordance with applicable regulations. This variable portion is the result of a process that takes into account the entity's economic results, the value created over time for the clients of Edmond de Rothschild Asset Management (France) and the individual performance of each employee, as well as their adherence to the rules and regulations governing risk management and compliance.

For all employees of the Management Company considered to have a material impact on the risk profile of the UCITS ("MRT" or material risk-takers), and annually identified as such through a process involving the Human Resources, Risk and Compliance teams, the remuneration policy specifies that part of their variable remuneration (which must remain in reasonable proportion to their fixed remuneration) be deferred over three years. This deferral, for employees exceeding a minimum threshold (gross variable remuneration of less than €200k), varies from a minimum of 40% to 60% depending on the variable level. Furthermore, a portion of the variable remuneration for these employees will be indexed to the change in the value of a mixed basket of financial instruments that is representative of the AIFs and UCITS managed by the Management Company and its affiliates. The deferred variable remuneration will therefore comprise, for "MRT" employees, at least 50% of cash indexed to the basket of instruments, and at most 50% of other deferred elements (Group Long Term Incentive Plan or, as applicable, deferred cash).

General Criteria

Managers evaluate each employee based on their overall performance, combination of achievements and demonstrated behaviour.

This evaluation is carried out annually through a physical interview and a computer-based evaluation tool, ensuring the traceability of the evaluations. This tool has two main sections, one assessing the achievement of the objectives set for the employee, the other assessing compliance with the values of the Edmond de Rothschild Group.

Based on these evaluations, the managers of each team formulate proposals for variable compensation, taking into account the following criteria:

- performance of the Group (France);
- performance of the Asset Management business line;
- team performance;
- individual performance;
- risk and compliance criterion.

Edmond de Rothschild Asset Management (France) is aware of the importance of aligning individual professional objectives with those of the Edmond de Rothschild Group as a whole. Consequently, Edmond de Rothschild Asset Management (France) emphasises ethics and compliance in the culture that it promotes to its employees. Edmond de Rothschild Asset Management (France) neither endorses nor encourages employees who take inappropriate risks in order to maximise the potential variable component of their remuneration.

Category-based criteria

Specifically, in addition to the risk and compliance objective common to all employees, the following categories of employees have specific criteria for evaluating their performance: For portfolio managers, the variable component paid takes into account:

- investment performance (relative performance compared to a benchmark index and to the competitive universe, observed over one year, two years and three years);
- risk and compliance criteria, including adherence to the portfolio investment rules and their risk limits and adherence to market rules;
- vigilance regarding anti-money laundering in the investment process.

For employees in the sales teams, the variable component takes into account:

- achievement of commercial objectives (net inflows, income levels generated by these inflows, interaction with clients and prospective clients, updating of "KYC" data);
- criteria relating to clients (satisfaction, complaints, fair treatment, suitability of products and instruments sold, etc.);
- risk and compliance criteria, including adherence to marketing rules, relating to the duty to provide advice, regulatory diligence ensuring investor protection and anti-money laundering measures;
- quantitative objectives are established in such a way as to discourage employees from selling one product over another, and to ensure that the clients' interests remain paramount. EdRAM does not pay any sales commission to its employees, nor does it have any compensation mechanism to encourage its employees to sell one product over another, to ensure that the clients' interests remain paramount.

For employees in support functions, the variable component takes into account:

- performance of these support functions;
- achievement of their own specific objectives;
- risk and compliance criteria.

Total amount of remuneration:

The total amount of remuneration is the total remuneration paid to all of the manager's personnel, with 190 beneficiaries (190 employees in service as at 31/12/2018).

This total amount for the 2018-2019 financial year was €26,751,100* including a fixed component of €17,116,050, a variable component of €9,635,050 and a profit share in capital gains of €0.

*Total annualised fixed pay as at 31/12/2018 for the population eligible for 2018/2019 pay review and total of the variable amounts proposed for the pay review for the year 2018.

Aggregate amount of remuneration:

In accordance with Article 33 of AMF Instruction 2011-19 and the provisions of European Directive 2009/65/EC as amended by European Directive 2014/91/EU, the aggregate amount of remuneration, broken down between senior executives and staff members of the Management Company whose activities have a material impact on the risk profile of the UCITS corresponds for the 2018-2019 financial year to:

- Senior executives: €2,002,508
- Staff members: €15,504,862

The Remuneration Policy of Edmond de Rothschild Asset Management (France) is reviewed annually by the Remuneration Committee. The implementation of the remuneration policy of Edmond de Rothschild Asset Management (France) was audited both in-house and externally, between June and August 2019, by a third-party service provider under the supervision of the General Inspectorate of Edmond de Rothschild (France). The outcome of this audit resulted in the publication of three recommendations.

5. STATUTORY AUDITOR'S CERTIFICATION



**STATUTORY AUDITOR'S REPORT
ON THE ANNUAL FINANCIAL STATEMENTS
Financial year ended 31 December 2019**

MILLESIMA 2021
UCITS ESTABLISHED IN THE FORM OF A MUTUAL FUND
Governed by the French Monetary and Financial Code

Management Company
EDMOND DE ROTHSCHILD ASSET MANAGEMENT
47, rue du Faubourg Saint Honoré
75008 Paris, France

Opinion

In performance of the audit engagement entrusted to us by the Management Company, we have carried out the audit of the annual financial statements of the UCITS established in the form of the MILLESIMA 2021 mutual fund relating to the year ended 31 December 2019, as attached to this report.

We certify that the annual financial statements are, in conformity with French accounting rules and principles, accurate and consistent, and give a true and fair view of the financial performance for the previous financial year as well as the financial position and assets of the UCITS established as a mutual fund at the end of the financial year.

Basis of opinion

Audit terms of reference

We conducted our audit in accordance with the professional auditing standards applicable in France. We believe that the evidence gathered is sufficient and appropriate to justify our opinion. Our responsibilities pursuant to these standards are set out in the “*Statutory Auditor’s responsibilities relating to the audit of annual financial statements*” section of this report.

Independence

We conducted our audit mission covering the period from 01/01/2019 until the date of issue of our report in line with the rules of independence that apply to us, and, in particular, we did not provide any services prohibited by the French Code of Ethics for Statutory Auditors.

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Justification of assessments

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following assessments which, in our professional opinion, were the most significant for the audit of the year's annual financial statements.

1. Securities held by the portfolio issued by companies with a high credit risk

Securities held in the portfolio that are issued by companies with a high credit risk and a low rating or no rating are valued in accordance with the methods described in the note on accounting methods and rules. These financial instruments are valued on the basis of prices quoted or provided by financial service providers. We have examined the procedures for generating prices and have tested the consistency of the prices against an external database. Based on the information used to determine the valuations recorded, we performed an assessment of the approach implemented by the Management Company.

2. Other financial instruments in the portfolio:

The assessments we performed related to the appropriateness of the accounting principles adopted and to the reasonableness of the significant estimates used.

The assessments were made as part of our audit of the annual financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed above. We do not express an opinion on items in the annual financial statements taken individually.

Specific verifications

We have also performed specific verifications as required by law and the regulations, in accordance with professional auditing standards in France.

We have no observations to make concerning the accuracy and consistency with the annual financial statements of the information provided in the management report prepared by the Management Company.



MILLESIMA 2021

Responsibilities of senior management and those persons in charge of corporate governance relating to the annual financial statements

It is the Management Company's responsibility to prepare annual financial statements that give a true and fair view, in accordance with French accounting rules and principles, and to implement the internal controls it deems necessary for the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the annual financial statements, it is the Management Company's responsibility to assess the UCI's ability to continue as a going concern, to present in these financial statements, where applicable, the necessary information relating to its viability as a going concern, and to apply the going concern accounting policy unless the UCI is to be wound up or to cease trading.

The annual financial statements were prepared by the Management Company.

Statutory Auditor's responsibilities relating to the audit of the annual financial statements

Audit objective and methodology

It is our responsibility to draft a report on the annual financial statements. Our aim is to obtain reasonable assurance that the annual financial statements, taken as a whole, are free from material misstatement. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit performed in accordance with the standards of professional practice will systematically detect any material misstatement. Misstatements may arise from fraud or error and are considered material where it can reasonably be expected that, taken individually or together, they may influence the economic decisions made by users of the financial statements that are based upon such misstatements.

As specified by Article L. 823-10-1 of the French Commercial Code, our task is to certify the financial statements, and not to guarantee the viability or the quality of the management of the UCI.

As part of an audit conducted in accordance with the professional practice standards applicable in France, the Statutory Auditor exercises their professional judgement throughout this audit. Additionally:

- they identify and assess the risks that the annual financial statements may contain material misstatements, whether due to fraud or error, set out and implement the audit procedures intended to counter these risks, and collate the items that they deem sufficient and appropriate to justify their opinion. The risk of non-detection of a material misstatement due to fraud is higher than that of a material misstatement due to an error, since fraud may involve collusion, forgery, deliberate omissions, misrepresentation or the circumvention of internal control processes;

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Accounting firm registered with the Paris – Ile de France Tableau de l'Ordre. Auditing firm, member of the Compagnie Régionale de Versailles. A French simplified joint-stock company with capital of €2,510,460. Registered office: 63, rue de Villiers, 92200 Neuilly-sur-Seine, France. Nanterre Trade and Companies Register 672 006 483. VAT no. FR 76 672 006 483. Siret 672 006 483 00362. APE [Trade sector] code 6920 Z. Offices: Bordeaux, Grenoble, Lille, Lyon, Marseille, Metz, Nantes, Nice, Paris, Poitiers, Rennes, Rouen, Strasbourg and Toulouse.



MILLESIMA 2021

- they take note of the internal control processes relevant to the audit so as to set out audit procedures that are appropriate to the circumstances, and not to express an opinion on the effectiveness of the internal control processes;
- they assess the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management Company, as well as the information provided in their regard in the annual financial statements;
- they assess the appropriateness of the application by the Management Company of the going concern accounting policy and, based on the evidence gathered, whether or not significant uncertainty exists relating to events or circumstances that may affect the UCI's ability to continue as a going concern. This assessment is based on the information gathered up to the date of their report, on the understanding that subsequent events or circumstances may affect its viability as a going concern. If they conclude that significant uncertainty exists, they draw the report reader's attention to the information provided in the annual financial statements about this uncertainty or, if this information is not provided or is not relevant, they issue a certification with reserve or a refusal to certify;
- they assess the overall presentation of the annual financial statements and whether they reflect the transactions and underlying events so as to provide a true and fair view thereof.

Neuilly-sur-Seine, date of electronic signature

<p><i>Document authenticated by electronic signature</i> Statutory Auditor PricewaterhouseCoopers Audit Frédéric Sellam</p>

6. ANNUAL FINANCIAL STATEMENTS

- BALANCE SHEET *in EUR*

ASSETS

	31/12/2019	31/12/2018
Net fixed assets		
Deposits		
Financial instruments	121,881,413.70	160,134,541.66
Equities and equivalent securities		
Traded on a regulated or equivalent market		
Not traded on a regulated or equivalent market		
Bonds and equivalent securities	109,604,255.27	143,818,858.50
Traded on a regulated or equivalent market	109,604,255.27	143,818,858.50
Not traded on a regulated or equivalent market		
Debt securities		
Traded on a regulated or equivalent market		
Negotiable debt securities		
Other debt securities		
Not traded on a regulated or equivalent market		
Undertakings for collective investment	12,274,957.45	16,305,827.25
Retail UCITS and AIFs intended for non-professionals and equivalent investors in other countries	12,274,957.45	16,305,827.25
Other funds intended for non-professionals and equivalent investors in other EU member states		
Professional investment funds and equivalent funds in other EU member states and listed special purpose vehicles		
Other professional investment funds and equivalent funds in other EU member states and unlisted special purpose vehicles		
Other non-European undertakings		
Temporary securities transactions		
Receivables on securities received under repurchase agreements		
Receivables on loaned securities		
Borrowed securities		
Securities assigned under repurchase agreements		
Other temporary transactions		
Forward financial instruments	2,200.98	9,855.91
Transactions on a regulated or equivalent market	2,200.98	9,855.91
Other transactions		
Other financial instruments		
Receivables	1,688,541.81	1,744,694.47
Forward currency transactions	1,527,637.05	1,440,678.56
Other	160,904.76	304,015.91
Financial accounts	3,631,863.08	7,056,223.08
Cash and cash equivalents	3,631,863.08	7,056,223.08
Total assets	127,201,818.59	168,935,459.21

LIABILITIES

	31/12/2019	31/12/2018
Share capital		
Capital	125,189,472.35	161,571,160.93
Undistributed prior net gains and losses (a)		
Balance carried forward (a)	702.48	1,642.76
Net gains and losses for the financial year (a, b)	-3,845,284.32	-1,156,045.28
Profit/loss for the financial year (a, b)	4,031,505.71	6,238,470.50
Total share capital (= amount corresponding to net assets)	125,376,396.22	166,655,228.91
Financial instruments	6,862.54	9,855.89
Sales of financial instruments		
Temporary securities transactions		
Payables representing securities assigned under repurchase agreements		
Payables representing borrowed securities		
Other temporary transactions		
Forward financial instruments	6,862.54	9,855.89
Transactions on a regulated or equivalent market	6,862.54	9,855.89
Other transactions		
Payables	1,818,559.83	2,270,374.41
Forward currency transactions	1,544,521.00	1,450,065.99
Other	274,038.83	820,308.42
Financial accounts		
Current bank borrowings		
Loans		
Total liabilities	127,201,818.59	168,935,459.21

(a) Including adjustments

(b) Minus any interim dividends paid in respect of the financial year

- OFF-BALANCE SHEET ITEMS *in EUR*

	31/12/2019	31/12/2018
Hedging transactions		
Commitment on regulated or equivalent markets		
Futures contracts		
CME CME EUR/GBP 0320	500,855.61	
CME CME EURO/GB 0319		2,634,797.50
CME EC EURUSD 0319		755,970.35
Commitment on over-the-counter markets		
Other commitments		
Other transactions		
Commitment on regulated or equivalent markets		
Commitment on over-the-counter markets		
Other commitments		

- **INCOME STATEMENT in EUR**

	31/12/2019	31/12/2018
Income from financial transactions		
Income from deposits and financial accounts	215.39	161.63
Income from equities and equivalent securities		
Income from bonds and equivalent securities	6,547,367.83	9,332,363.78
Income from debt securities		
Income from temporary purchases and sales of securities		
Income from forward financial instruments		
Other financial income		
Total (1)	6,547,583.22	9,332,525.41
Expenses relating to financial transactions		
Expenses relating to temporary purchases and sales of securities		
Expenses relating to forward financial instruments		
Expenses relating to financial debt	31,400.59	9,022.11
Other financial expenses		
Total (2)	31,400.59	9,022.11
Profit/loss on financial transactions (1 - 2)	6,516,182.63	9,323,503.30
Other income (3)		
Management fees and amortisation charges (4)	1,633,257.43	2,131,807.58
Net profit/loss for the financial year (L. 214-17-1) (1 - 2 + 3 - 4)	4,882,925.20	7,191,695.72
Income adjustment for the financial year (5)	-851,419.49	-953,225.22
Interim dividends paid in respect of the financial year (6)		
Profit/loss (1 - 2 + 3 - 4 + 5 - 6)	4,031,505.71	6,238,470.50

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING METHODS AND RULES

The annual financial statements are presented in the form provided for by ANC Regulation 2014-01 as amended.

General accounting principles apply:

- a true and fair view, comparability and operational continuity,
- lawfulness and fairness,
- prudence,
- consistency of accounting methods from one financial year to the next.

Income from fixed-income securities is recorded on the basis of interest earned.

Purchases and sales of securities are recorded exclusive of costs.

The base currency of the portfolio is the euro.

The length of the financial year is 12 months.

Asset valuation rules

Financial instruments are recorded in the financial statements according to the historical cost method and on the balance sheet at their current value as determined by the last known market value or, where no market exists, by any external means or by the use of financial models.

Differences between the current values used to calculate the net asset value and the historical costs of transferable securities when first included in the portfolio are recorded in "valuation differentials" accounts.

Securities denominated in currencies other than the portfolio's currency are valued using the policy described below, and then converted into the portfolio's currency at the exchange rate on the valuation date.

Deposits:

Deposits with a residual maturity of three months or less are valued according to the straight line method.

Equities, bonds and other securities traded on a regulated or equivalent market:

For the purpose of calculating the net asset value, shares and other securities traded on a regulated or equivalent market are valued on the basis of the day's closing market price.

Bonds and equivalent securities are valued at the closing price supplied by various financial service providers. Interest accrued on bonds and other equivalent securities is calculated up to the net asset value calculation date.

Equities, bonds and other securities not traded on a regulated or equivalent market:

Securities that are not traded on a regulated market are valued by the Management Company using methods based on market value and yield, while taking into account the prices used for recent significant transactions.

Negotiable debt securities:

Negotiable debt securities and equivalent securities that are not traded in large volumes are valued using an actuarial method based on a reference rate, defined below, which is increased, where applicable, by a differential that is representative of the intrinsic characteristics of the issuer:

Negotiable debt securities with a maturity of one year or less: Euro Interbank Offered Rate (Euribor)

Negotiable debt securities (TCN) with a maturity exceeding one year: Rates for French treasury bills (BTAN and OAT) with similar maturity dates for the longest durations.

Negotiable debt securities with a residual maturity of three months or less may be valued using the straight line method.

French treasury bills are valued at the market rate, as published daily by the Banque de France.

UCIs held:

Units or shares of UCIs will be valued at the last known net asset value.

Temporary securities transactions:

Securities received under repurchase agreements are recorded as assets under the "Receivables related to securities received under repurchase agreements" heading at the contracted amount, plus any accrued interest.

Securities assigned under repurchase agreements are recorded at their current value in the long portfolio. Payables on securities assigned under repurchase agreements are entered in the short portfolio at the contracted value, plus any accrued interest payable.

Loaned securities are valued at their current value and are entered under assets at their current value, plus accrued interest receivable, under the heading "Receivables on loaned securities".

Borrowed securities are recorded as assets under the "Borrowed securities" heading at the contracted amount, and as liabilities under the "Payables representing borrowed securities" heading at the contracted amount, plus any accrued interest payable.

Forward financial instruments:

Forward financial instruments traded on a regulated or equivalent market:

Forward financial instruments traded on regulated markets are valued at the day's settlement price.

Forward financial instruments not traded on a regulated or equivalent market:

Swaps:

Interest rate and/or currency swaps are valued at their market value according to the price calculated by discounting future interest payments at the prevailing interest rate and/or the currency market exchange rate. This price is adjusted to take into account the risk associated with the issuer.

Index swaps are valued on an actuarial basis using a benchmark rate provided by the counterparty.

Other swaps are valued at their market value or at a value estimated in the manner established by the Management Company.

Off-balance sheet commitments:

Futures contracts are recorded as off-balance sheet commitments at their market value at the price used in the portfolio.

Options transactions are converted into the underlying equivalent.

Swap commitments are recorded at their nominal value or, where there is no nominal value, at an equivalent amount.

Management fees

Management fees are calculated on each valuation date on the basis of the net assets.

These fees are recorded in the income statement for the UCI.

Management fees are paid in full to the Management Company responsible for all of the UCI's operating costs.

Management fees do not include transaction fees.

The rate applied on the basis of the net assets is:

- I USD H (C4) units: 0.60% incl. taxes,
- I (C1) units: 0.60% incl. taxes,
- ID (D2) units: 0.60% incl. taxes,
- R (CR) units: 1.05% incl. taxes,
- C (C1) units: 1.20% incl. taxes,
- D (D1) units: 1.20% incl. taxes,
- E (C5) units: 1.40% incl. taxes.

Allocation of distributable income

Definition of distributable income:

Distributable income comprises:

Profit/loss:

Net profit/loss for the financial year is the sum of interest, arrears, premiums and bonuses, dividends, directors' fees and all other revenues generated by the securities held in the portfolio, plus income generated by temporary cash holdings, less the sum of the costs of management and borrowing costs.

It is increased by the balance carried forward and increased or decreased by the balance of the income adjustment account.

Gains and losses:

Realised gains (net of fees), minus realised losses (net of fees), recorded during the financial year, plus any net gains of the same type recorded during previous financial years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

Methods for allocating distributable income:

Distributable income	C, R, E, I and I USD H units	D and ID units
Allocation of net income	Accumulation	Distribution
Allocation of net realised gains or losses	Accumulation	Accumulation (in full or in part) or Distribution (in full or in part) or Carried forward (in full or in part), at the discretion of the Management Company

Where distribution units are concerned, the Management Company of the UCITS may decide to pay one or more interim dividends on the basis of the financial positions certified by the Statutory Auditor.

- **CHANGE IN NET ASSETS in EUR**

	31/12/2019	31/12/2018
Net assets at the beginning of the financial year	166,655,228.91	251,064,994.54
Subscriptions (including subscription fees paid to the UCI)	106,811.24	29,030,584.64
Redemptions (less redemption fees paid to the UCI)	-44,056,626.23	-106,397,695.11
Realised gains on deposits and financial instruments	675,774.65	2,820,765.77
Realised losses on deposits and financial instruments	-5,131,770.54	-3,273,274.94
Realised gains on forward financial instruments	188,440.25	322,770.72
Realised losses on forward financial instruments	-274,290.34	-408,144.63
Transaction fees	-109,157.26	-309,171.11
Foreign exchange differences	105,416.25	132,172.02
Changes in the valuation differential on deposits and financial instruments	4,140,515.01	-12,229,776.28
Valuation differential for financial year N	508,705.51	-3,631,809.50
Valuation differential for financial year N-1	3,631,809.50	-8,597,966.78
Changes in the valuation differential on forward financial instruments	-7,654.93	-46,128.20
Valuation differential for financial year N	2,200.98	9,855.91
Valuation differential for financial year N-1	-9,855.91	-55,984.11
Dividends paid in the previous financial year on net gains and losses		
Dividends paid in the previous financial year on profit/loss	-1,799,215.99	-2,238,876.86
Net profit/loss for the financial year prior to income adjustment	4,882,925.20	7,191,695.72
Interim dividend(s) paid on net gains and losses during the financial year		
Interim dividend(s) paid on income during the financial year		
Other items*		995 312.63
Net assets at the end of the financial year	125,376,396.22	166,655,228.91

N-1: Payment of compensation for transaction fees when cashing coupons in 2016 and 2017.

- BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC TYPE**

	Amount	%
Assets		
Bonds and equivalent securities		
Fixed-rate bonds traded on a regulated or equivalent market	95,070,092.36	75.83
Variable/adjustable-rate bonds traded on a regulated or equivalent market	14,534,162.91	11.59
TOTAL Bonds and equivalent securities	109,604,255.27	87.42
Debt securities		
TOTAL Debt securities		
Liabilities		
Sales of financial instruments		
TOTAL Sales of financial instruments		
Off-balance sheet items		
Hedging transactions		
Foreign exchange	500,855.61	0.40
TOTAL Hedging transactions	500,855.61	0.40
Other transactions		
TOTAL Other transactions		

- BREAKDOWN OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS BY INTEREST RATE TYPE**

	Fixed rate	%	Variable rate	%	Adjustable rate	%	Other	%
Assets								
Deposits								
Bonds and equivalent securities	92,348,572.69	73.66			14,534,162.91	11.59	2,721,519.67	2.17
Debt securities Temporary securities transactions								
Financial accounts							3,631,863.08	2.90
Liabilities								
Temporary securities transactions								
Financial accounts								
Off-balance sheet items								
Hedging transactions								
Other transactions								

- BREAKDOWN OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS BY RESIDUAL MATURITY**

	< 3 months	%	[3 months - 1 year]	%	[1 - 3 years]	%	[3-5 years]	%	> 5 years	%
Assets										
Deposits										
Bonds and equivalent securities	1,698,738.25	1.35	12,153,493.33	9.69	76,647,097.67	61.13	19,104,926.02	15.24		
Debt securities Temporary securities transactions										
Financial accounts	3,631,863.08	2.90								
Liabilities										
Temporary securities transactions										
Financial accounts										
Off-balance sheet items										
Hedging transactions										
Other transactions										

Positions in interest rate futures are shown according to the maturity of the underlying asset.

- BREAKDOWN OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS BY LISTING OR VALUATION CURRENCY**

	USD		GBR		Other currencies	
	Amount	%	Amount	%	Amount	%
Assets						
Deposits						
Equities and equivalent securities						
Bonds and equivalent securities			471,198.96	0.38		
Debt securities						
UCIs						
Temporary securities transactions						
Receivables	1,527,637.05	1.22	14,633.86	0.01		
Financial accounts	15,297.41	0.01	30,600.18	0.02		
Liabilities						
Sales of financial instruments Temporary securities transactions						
Financial accounts						
Off-balance sheet items						
Hedging transactions			500,855.61	0.40		
Other transactions						

- RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Type of debit/credit	31/12/2019
Receivables	Forward currency purchases	1,527,637.05
	Cash collateral deposits	14,633.86
	Cash dividends and coupons	146,270.90
Total receivables		1,688,541.81
Payables	Amount payable on forward currency purchases	1,544,521.00
	Redemptions payable	149,988.37
	Management fees	124,050.46
Total payables		1,818,559.83

- **NUMBER OF SECURITIES ISSUED OR REDEEMED**

	Units	Amount
C unit		
Units subscribed during the financial year	970.923	106,811.24
Units redeemed during the financial year	-181,669.984	-19,899,056.78
Net balance of subscriptions/redemptions	-180,699.061	-19,792,245.54
CR unit		
Units subscribed during the financial year		
Units redeemed during the financial year	-48,076.976	-5,187,839.71
Net balance of subscriptions/redemptions	-48,076.976	-5,187,839.71
I USD H unit		
Units subscribed during the financial year		
Units redeemed during the financial year		
Net balance of subscriptions/redemptions		
E unit		
Units subscribed during the financial year		
Units redeemed during the financial year	-6,796.203	-745,884.63
Net balance of subscriptions/redemptions	-6,796.203	-745,884.63
I unit		
Units subscribed during the financial year		
Units redeemed during the financial year	-70,025.246	-7,797,461.39
Net balance of subscriptions/redemptions	-70,025.246	-7,797,461.39
D unit		
Units subscribed during the financial year		
Units redeemed during the financial year	-74,552.280	-7,557,450.54
Net balance of subscriptions/redemptions	-74,552.280	-7,557,450.54
ID unit		
Units subscribed during the financial year		
Units redeemed during the financial year	-29,101.000	-2,868,933.18
Net balance of subscriptions/redemptions	-29,101.000	-2,868,933.18

- **SUBSCRIPTION AND/OR REDEMPTION FEES**

	Amount
CR unit	
Redemption fees received	
Subscription fees received	
Total fees received	
C unit	
Redemption fees received	
Subscription fees received	
Total fees received	
E unit	
Redemption fees received	
Subscription fees received	
Total fees received	
I USD H unit	
Redemption fees received	
Subscription fees received	
Total fees received	

- SUBSCRIPTION AND/OR REDEMPTION FEES**

	Amount
I unit Redemption fees received Subscription fees received Total fees received	
D unit Redemption fees received Subscription fees received Total fees received	
ID unit Redemption fees received Subscription fees received Total fees received	

- MANAGEMENT FEES**

	31/12/2019
C unit Collateral fees Fixed management fees Percentage of fixed management fees Variable management fees Trailer fees	 941,059.30 1.20
CR unit Collateral fees Fixed management fees Percentage of fixed management fees Variable management fees Trailer fees	 121,178.56 1.05
E unit Collateral fees Fixed management fees Percentage of fixed management fees Variable management fees Trailer fees	 14,199.86 1.40
I USD H unit Collateral fees Fixed management fees Percentage of fixed management fees Variable management fees Trailer fees	 9,184.24 0.60
I unit Collateral fees Fixed management fees Percentage of fixed management fees Variable management fees Trailer fees	 74,222.41 0.60
D unit Collateral fees Fixed management fees Percentage of fixed management fees Variable management fees Trailer fees	 411,031.25 1.20

	31/12/2019
ID unit	
Collateral fees	
Fixed management fees	62,381.81
Percentage of fixed management fees	0.60
Variable management fees	
Trailer fees	

- **COMMITMENTS RECEIVED AND GIVEN**

Collateral received by the UCI

None.

Other commitments received and/or given

None.

- **CURRENT VALUE OF SECURITIES SUBJECT TO A TEMPORARY PURCHASE TRANSACTION**

	31/12/2019
Securities received under repurchase agreements	
Borrowed securities	

- **CURRENT VALUE OF SECURITIES REPRESENTING COLLATERAL DEPOSITS**

	31/12/2019
Financial instruments given as collateral and retained under their original entry	
Financial instruments received as collateral and not recorded on the balance sheet	

- **GROUP FINANCIAL INSTRUMENTS HELD IN THE PORTFOLIO**

	ISIN code	Name	31/12/2019
Equities			
Bonds			
Negotiable debt securities			
UCIs			12,274,957.45
	FR0011031392	Edmond de Rothschild Credit Very Short Term R	12,274,957.45
Forward financial instruments			
Total Group securities			12,274,957.45

- ALLOCATION TABLE FOR DISTRIBUTABLE INCOME

	31/12/2019	31/12/2018
Amounts still to be allocated		
Balance carried forward	702.48	1,642.76
Profit/loss	4,031,505.71	6,238,470.50
Total	4,032,208.19	6,240,113.26

	31/12/2019	31/12/2018
C unit		
Allocation		
Distribution		
Balance carried forward for the financial year		
Accumulation	2,106,425.68	3,086,757.63
Total	2,106,425.68	3,086,757.63

	31/12/2019	31/12/2018
CR unit		
Allocation		
Distribution		
Balance carried forward for the financial year		
Accumulation	288,526.30	515,943.79
Total	288,526.30	515,943.79

	31/12/2019	31/12/2018
I USD H unit		
Allocation		
Distribution		
Balance carried forward for the financial year		
Accumulation	56,952.23	58,416.06
Total	56,952.23	58,416.06

	31/12/2019	31/12/2018
E unit		
Allocation		
Distribution		
Balance carried forward for the financial year		
Accumulation	12,477.63	39,198.46
Total	12,477.63	39,198.46

	31/12/2019	31/12/2018
I unit		
Allocation		
Distribution		
Balance carried forward for the financial year		
Accumulation	334,144.62	693,015.39
Total	334,144.62	693,015.39

	31/12/2019	31/12/2018
D unit		
Allocation		
Distribution	937,962.04	1,381,738.81
Balance carried forward for the financial year	1,471.82	655.14
Accumulation		
Total	939,433.86	1,382,393.95
Information concerning units eligible for distribution of dividends		
Number of units	295,887.080	370,439.360
Distribution per unit	3.17	3.73
Tax exemptions		
Tax exemption relating to the distribution of income		

	31/12/2019	31/12/2018
ID unit		
Allocation		
Distribution	293,716.30	464,144.35
Balance carried forward for the financial year	531.57	243.63
Accumulation		
Total	294,247.87	464,387.98
Information concerning units eligible for distribution of dividends		
Number of units	79,597.912	108,698.912
Distribution per unit	3.69	4.27
Tax exemptions		
Tax exemption relating to the distribution of income		

- **ALLOCATION TABLE FOR THE PORTION OF DISTRIBUTABLE INCOME CORRESPONDING TO NET GAINS AND LOSSES**

	31/12/2019	31/12/2018
Amounts still to be allocated		
Undistributed prior net gains and losses		
Net gains and losses for the financial year	-3,845,284.32	-1,156,045.28
Interim dividends paid on net gains and losses for the financial year		
Total	-3,845,284.32	-1,156,045.28

	31/12/2019	31/12/2018
C unit		
Allocation		
Distribution		
Undistributed net gains and losses		
Accumulation	-2,109,941.07	-647,184.92
Total	-2,109,941.07	-647,184.92

	31/12/2019	31/12/2018
CR unit		
Allocation		
Distribution		
Undistributed net gains and losses		
Accumulation	-275,759.29	-103,903.54
Total	-275,759.29	-103,903.54

	31/12/2019	31/12/2018
E unit		
Allocation		
Distribution		
Undistributed net gains and losses		
Accumulation	-13,353.45	-8,697.09
Total	-13,353.45	-8,697.09

	31/12/2019	31/12/2018
I USD H unit		
Allocation		
Distribution		
Undistributed net gains and losses		
Accumulation	27,384.73	82,430.46
Total	27,384.73	82,430.46

	31/12/2019	31/12/2018
I unit		
Allocation		
Distribution		
Undistributed net gains and losses		
Accumulation	-280,728.48	-124,855.69
Total	-280,728.48	-124,855.69

	31/12/2019	31/12/2018
D unit		
Allocation		
Distribution		
Undistributed net gains and losses		
Accumulation	-944,630.47	-275,103.74
Total	-944,630.47	-275,103.74

	31/12/2019	31/12/2018
ID unit		
Allocation		
Distribution		
Undistributed net gains and losses		
Accumulation	-248,256.29	-78,730.76
Total	-248,256.29	-78,730.76

• TABLE OF RESULTS AND OTHER SIGNIFICANT ITEMS OVER THE LAST FIVE FINANCIAL YEARS

	30/12/2016	29/12/2017	31/12/2018	31/12/2019
Total net assets in EUR	289,576,442.22	251,064,994.54	166,655,228.91	125,376,396.22
MILLESIMA 2021 C				
Net assets in EUR	167,603,553.29	145,122,229.68	85,273,059.08	67,677,192.95
Number of securities	1,566,117.779	1,315,624.288	795,173.344	614,474.283
Net asset value per unit in EUR	107.01	110.30	107.23	110.13
Accumulation per unit on net gains and losses in EUR	-0.57	-0.41	-0.81	-3.43
Accumulation per unit on profit/loss in EUR	3.44	4.23	3.88	3.42
MILLESIMA 2021 CR				
Net assets in EUR	2,632,082.39	2,559,552.43	13,679,647.99	8,853,130.22
Number of securities	25,073.000	23,619.892	129,653.957	81,576.981
Net asset value per unit in EUR	104.97	108.36	105.50	108.52
Accumulation per unit on net gains and losses in EUR	-0.43	-0.40	-0.80	-3.38
Accumulation per unit on profit/loss in EUR	2.15	4.31	3.97	3.53
MILLESIMA 2021 E				
Net assets in EUR	2,051,638.53	1,587,010.35	1,147,108.63	427,792.75
Number of securities	19,069.838	14,339.992	10,683.145	3,886.942
Net asset value per unit in EUR	107.58	110.67	107.37	110.05
Accumulation per unit on net gains and losses in EUR	-0.49	-0.41	-0.81	-3.43
Accumulation per unit on profit/loss in EUR	2.78	4.03	3.66	3.21
MILLESIMA 2021 I USD H				
Net assets in USD	6,129,036.57	4,370,774.59	1,650,283.30	1,750,871.71
Number of securities	57,021.972	38,471.900	14,493.488	14,493.488
Net asset value per unit in USD	107.48	113.60	113.86	120.80
Accumulation per unit on net gains and losses in EUR	4.57	-8.58	5.68	1.88
Accumulation per unit on profit/loss in EUR	2.89	4.43	4.03	3.92

	30/12/2016	29/12/2017	31/12/2018	31/12/2019
Total net assets in EUR	289,576,442.22	251,064,994.54	166,655,228.91	125,376,396.22
MILLESIMA 2021 I				
Net assets in EUR	46,769,319.39	38,839,293.79	16,400,847.63	9,037,475.50
Number of securities	433,948.933	347,541.671	150,049.210	80,023.964
Net asset value per unit in EUR	107.77	111.75	109.30	112.93
Accumulation per unit on net gains and losses in EUR	-0.56	-0.42	-0.83	-3.50
Accumulation per unit on profit/loss in EUR	3.72	4.93	4.61	4.17
MILLESIMA 2021 D				
Net assets in EUR	50,631,725.34	45,726,824.28	37,843,005.71	29,939,904.59
Number of securities	463,609.733	418,241.148	370,439.360	295,887.080
Net asset value per unit in EUR	109.21	109.33	102.15	101.18
Accumulation per unit on net gains and losses in EUR	-0.52	-0.41	-0.74	-3.19
Distribution per unit on profit/loss in EUR	3.16	4.23	3.73	3.17
Balance carried forward per unit on profit/loss in EUR				
Tax exemption per unit in EUR				*
MILLESIMA 2021 ID				
Net assets in EUR	14,077,232.96	13,590,198.44	10,867,931.91	7,881,103.59
Number of securities	132,372.214	126,998.912	108,698.912	79,597.912
Net asset value per unit in EUR	106.34	107.01	99.98	99.01
Accumulation per unit on net gains and losses in EUR	-0.46	-0.40	-0.72	-3.11
Distribution per unit on profit/loss in EUR	3.17	4.77	4.27	3.69
Balance carried forward per unit on profit/loss in EUR				
Tax exemption per unit in EUR				*

* The tax exemption per unit will only be determined on the distribution date, in accordance with the tax provisions in force.

- PORTFOLIO BREAKDOWN in EUR

Security name	Currency	Quantity or nominal amount	Current value	% of net assets
Bonds and equivalent securities				
Bonds and equivalent securities traded on a regulated or equivalent market				
SPAIN				
CELL 3.125% 27-07-22 EMTN	EUR	2,800,000	3,048,279.37	2.43
HIPERCOR SA 3.875% 19-01-22	EUR	2,000,000	2,215,072.74	1.77
TOTAL SPAIN			5,263,352.11	4.20
UNITED STATES OF AMERICA				
BALL 3.5% 15-12-20	EUR	4,000,000	4,134,149.23	3.31
FEDERALMOGUL 4.875% 15-04-22	EUR	2,260,000	2,334,935.95	1.86
GENERAL MOTORS FINANCIAL E3R+0.68% 10-05-21	EUR	3,000,000	3,011,675.00	2.40
HUNTSMAN INTERNATIONAL 5.125% 15/04/2021	EUR	3,500,000	3,739,239.58	2.98
LGATE 0.0% 12-11-21 EMTN	EUR	800,000	803,816.00	0.64
MEDTRONIC GLOBAL HOLDINGS SCA E3R+0.2% 07-03-21	EUR	2,500,000	2,507,550.00	2.00
SEALED 4.5% 15-09-23 EMTN	EUR	1,000,000	1,154,125.00	0.92
TOTAL UNITED STATES OF AMERICA			17,685,490.76	14.11
FRANCE				
AUTODIS E3R+4.375% 01-05-22	EUR	750,000	654,436.62	0.52
BANIJAY GROUP SAS 4.0% 01-07-22	EUR	2,800,000	2,867,920.22	2.29
BURGER KING FRANCE SAS E3R+5.25% 01-05-23	EUR	1,100,000	1,130,478.27	0.90
CASINO 1.865% 13-06-22 EMTN	EUR	2,000,000	1,948,390.16	1.55
CASINO 4.726% STEP-UP 26-05-21 EMTN	EUR	2,500,000	2,721,519.67	2.17
CROW EURO HOL 4.0% 15-07-22	EUR	2,250,000	2,474,700.00	1.97
CROWN EU HLD 2.25% 01-02-23	EUR	650,000	685,434.75	0.55
LOXAM 3.5% 03-05-23	EUR	1,400,000	1,443,666.00	1.15
LOXAM 3.5% 15-04-22	EUR	1,250,000	1,297,016.67	1.03
LVMH MOET HENNESSY 0.0% 28-02-21	EUR	400,000	401,226.00	0.32
MOBILUX FINANCE SAS 5.5% 15-11-24	EUR	600,000	621,785.00	0.50
NEXANS 3.25% 26-05-21	EUR	2,300,000	2,431,176.16	1.94
ORANO SA 3.5% 22-03-21 EMTN	EUR	3,200,000	3,423,169.14	2.73
PARTS EUROPE SA 4.375% 01-05-22	EUR	1,850,000	1,875,520.24	1.50
PICARD GROUPE E3R+3.0% 30-11-23	EUR	1,750,000	1,721,288.33	1.37
RENAULT CREDIT INTL BANQUE 0.625% 10-11-21	EUR	2,500,000	2,525,755.33	2.01
SNFF 2 7/8 06/15/23	EUR	1,500,000	1,519,721.25	1.21
TOTAL FRANCE			29,743,203.81	23.71
ITALY				
CMC RAVENNA 6.875% 01-08-22 DEFAULT	EUR	700,000	21,000.00	0.02
LIMA CORPORATE E3R+3.75% 15-08-23	EUR	2,200,000	2,222,493.20	1.77
LKQ ITAL BOND 3.875% 01-04-24	EUR	1,930,000	2,194,174.11	1.75

Security name	Currency	Quantity or nominal amount	Current value	% of net assets
MARCOLIN E3R+4.125% 15-02-23	EUR	1,600,000	1,621,479.36	1.29
SAIP FIN 3.0% 08-03-21 EMTN	EUR	2,600,000	2,758,124.54	2.21
TELECOM ITALIA 5.25% 10/02/22	EUR	1,800,000	2,082,454.64	1.66
TITIM 4 1/2 01/25/21	EUR	2,000,000	2,183,525.34	1.74
TOTAL ITALY			13,083,251.19	10.44
JAPAN				
SOFT GROU COR 4.0% 30-07-22	EUR	3,000,000	3,253,020.00	2.59
TAKEDA PHARMACEUTICAL 0.375% 21-11-20	EUR	3,000,000	3,016,231.72	2.41
TOTAL JAPAN			6,269,251.72	5.00
JERSEY				
ADIE GLOB HOL 3.5% 15-08-24	EUR	350,000	337,620.61	0.27
TOTAL JERSEY			337,620.61	0.27
LUXEMBOURG				
ALTI FIN 5.25% 15-02-23 EMTN	EUR	800,000	830,301.33	0.66
ARCE 3.125% 14-01-22 EMTN	EUR	3,500,000	3,800,888.77	3.03
FIAT 4.75% 03/22/2021	EUR	3,700,000	4,057,317.39	3.25
GESTAMP FUND LUX 3.5% 15-05-23	EUR	700,000	718,666.67	0.57
LHMC FINCO SARL 6.25% 20-12-23	EUR	500,000	530,983.47	0.42
TAKKO LUX 2 SCA 5.375% 15-11-23	EUR	700,000	700,263.67	0.56
TOTAL LUXEMBOURG			10,638,421.30	8.49
NETHERLANDS				
CONSTELLIUM SE 4.625% 15-05-21	EUR	2,150,000	1,450,886.74	1.16
HEMA BONDCO I BV E3R+6.25% 15-07-22	EUR	1,100,000	910,468.80	0.73
IPD 3 BV 4.5% 15-07-22 EMTN	EUR	3,000,000	3,135,855.00	2.49
TEVA PHAR FIN 0.375% 25-07-20	EUR	2,600,000	1,580,890.75	1.26
TEVA PHARMACEUTICAL FINANCE II BV 3.25% 15-04-22	EUR	1,000,000	1,020,921.67	0.81
UNITED GROUP BV 4.375% 01-07-22	EUR	3,000,000	3,128,420.00	2.50
TOTAL NETHERLANDS			11,227,442.96	8.95
UNITED KINGDOM				
EPHIOS BOND E3R+3.5% 01-07-22	EUR	750,000	754,293.33	0.60
INTE GAME TEC 4.75% 15-02-23	EUR	1,500,000	1,672,445.00	1.33
NMG FINCO PLC 5.0% 01-08-22	GBP	400,000	471,198.96	0.38
OTE PLC 3.5% 09-07-20 EMTN	EUR	3,300,000	3,422,221.63	2.73
TITA GLOB FIN 3.5% 17-06-21	EUR	3,500,000	3,662,962.39	2.92
TOTAL UNITED KINGDOM			9,983,121.31	7.96
SWEDEN				
INTRUM JUSTITIA AB 2.75% 15-07-22	EUR	3,300,000	1,698,738.25	1.35

Security name	Currency	Quantity or nominal amount	Current value	% of net assets
VOLVO CAR AB 3.25% 18-05-21	EUR	3,500,000	3,674,361.25	2.94
TOTAL SWEDEN			5,373,099.50	4.29
TOTAL Bonds and equivalent securities traded on regulated or equivalent markets			109,604,255.27	87.42
TOTAL Bonds and equivalent securities			109,604,255.27	87.42
Undertakings for collective investment				
Retail UCITS and AIFs intended for non-professionals and equivalent investors in other countries				
FRANCE				
Edmond de Rothschild Credit Very Short Term R	EUR	123	12,274,957.45	9.79
TOTAL FRANCE			12,274,957.45	9.79
TOTAL Retail UCITS and AIFs intended for non-professionals and equivalent investors in other countries			12,274,957.45	9.79
TOTAL Undertakings for collective investment			12,274,957.45	9.79
Forward financial instruments				
Futures				
Futures on a regulated or equivalent market				
CME CME EUR/GBP 0320	GBP	4	2,200.98	
TOTAL Futures on a regulated market			2,200.98	
TOTAL Futures			2,200.98	
TOTAL Forward financial instruments			2,200.98	
Margin call				
ROTHSCHILD margin calls in GBP	GBP	-5,814.97	-6,862.54	-0.01
TOTAL Margin call			-6,862.54	-0.01
Receivables			1,688,541.81	1.35
Payables			-1,818,559.83	-1.45
Financial accounts			3,631,863.08	2.90
Net assets			125,376,396.22	100.00

MILLESIMA 2021 I	EUR	80,023.964	112.93
MILLESIMA 2021 E	EUR	3,886.942	110.05
MILLESIMA 2021 D	EUR	295,887.080	101.18
MILLESIMA 2021 ID	EUR	79,597.912	99.01
MILLESIMA 2021 CR	EUR	81,576.981	108.52
MILLESIMA 2021 I USD H	USD	14,493.488	120.80
MILLESIMA 2021 C	EUR	614,474.283	110.13

- **ADDITIONAL INFORMATION ABOUT THE COUPON TAX SYSTEM**

BREAKDOWN OF THE COUPON, UNIT: D

	OVERALL NET	CURRENCY	PER UNIT	CURRENCY
Income subject to compulsory, non-definitive withholding tax	937,962.04	EUR	3.17	EUR
Shares giving entitlement to write-offs and subject to compulsory, non-definitive withholding tax				
Other income not giving entitlement to write-offs and subject to compulsory, non-definitive withholding tax				
Non-reportable and non-taxable income				
Amount distributed on gains and losses				
TOTAL	937,962.04	EUR	3.17	EUR

BREAKDOWN OF THE COUPON, UNIT: ID

	OVERALL NET	CURRENCY	PER UNIT	CURRENCY
Income subject to compulsory, non-definitive withholding tax	293,716.30	EUR	3.69	EUR
Shares giving entitlement to write-offs and subject to compulsory, non-definitive withholding tax				
Other income not giving entitlement to write-offs and subject to compulsory, non-definitive withholding tax				
Non-reportable and non-taxable income				
Amount distributed on gains and losses				
TOTAL	293,716.30	EUR	3.69	EUR