



## **HUMAN CAPITAL (the "Sub-Fund"), a Sub-Fund of EDMOND DE ROTHSCHILD FUND (the "Fund")**

**Share Class K EUR (the "Class") - LU2221885804**

Management Company : Edmond de Rothschild Asset Management (Luxembourg)

### **Objectives and Investment Policy**

**Investment objective:** The objective of the Sub-Fund is to outperform its benchmark by investing in equities and equity related instruments issued by companies that value human capital practices and that meet environmental, social and governance (ESG) criteria, over the recommended investment period.

**Benchmark index:** MSCI All Countries World Index (MSCI ACWI), net dividends reinvested

The Sub-Fund is actively managed and is not designed to track the Index. Therefore, the composition of the portfolio holdings is not constrained by the composition of the Index and the deviation of portfolio holdings from the Index may be significant.

**Investment policy:** The Sub-Fund invests and/or exposes at least 75% of its net assets in/to equity securities issued by companies that have developed best practices in human capital management such as training, talent acquisition and retention and diversity policies, or have a business model which directly fosters workforce development and training, knowledge acquisition as well as protection of employees. The Sub-Fund will predominantly invest in countries included in the MSCI All Countries World Index.

The Sub-Fund aims at selecting companies with a focus on a good management of environmental, social, and governance (ESG) risks and opportunities. The Sub-Fund's investment process entails, to this aim, a proprietary responsible investing approach which favours ESG well rated companies irrespective of their capitalizations and relying on either a proprietary ESG rating or a rating provided by an external extra-financial rating agency. At least 90% of portfolio companies receive ESG rating. The selection process includes a positive screening by selecting through a best in universe approach and a negative screening, whereby the Investment Manager has established a formal exclusion policy that integrates the exclusion of controversial companies related to weapon, coal and tobacco. The eligible investment universe is consequently reduced by 20% and defined according to ESG criteria. Moreover, a human capital thematic approach is applied and the Sub-Fund focuses on securities issued by companies that have developed best practices in human capital through their management or their business model.

Between 75% and 110% of the Sub-Fund's net assets will be invested in and/or exposed to the international equity markets and other assimilated securities. The Sub-Fund may hold ADRs (American Depositary Receipts), GDRs (Global Depositary Receipts) and securities without voting rights.

For cash management purposes, the Sub-Fund may invest up to 25% of its net assets in transferable debt securities, Money Market Instruments and Money Market Funds with a short term maturity of less than three months under exceptional conditions and on a temporary basis.

The Sub-Fund will seek issues from public or private issuers that are rated Investment Grade at the time of purchase (i.e. which rating are higher than or equal to BBB- according to Standard & Poor's, or an equivalent rating attributed by another independent agency, or a deemed equivalent rating attributed by the Investment Manager), with a short-term maturity of less than three months.

It is understood that investment grade debt securities may be subject to the risk of being downgraded to non-investment grade debt securities. In the event of downgrading in the credit ratings of a security or an issuer, the Sub-Fund may, at the discretion of the Investment Manager, and in the best interests of the Sub-Fund's shareholders, continue to hold those debt securities which have been downgraded provided that in any case the Sub-Fund's maximum investment in Distressed Securities will be limited to a maximum of 10% of its net assets.

The Sub-Fund may use financial derivative instruments to achieve its investment objective. Such instruments may also be used for the purpose of hedging. These instruments may include, but are not limited to:

- options contracts on equities and on equity indices so as to reduce equity volatility and increase the Sub-Fund's exposure to a limited number of equities;
- equity-index futures contracts to manage exposure to equities; or
- currency forward contracts (forward foreign exchange contracts or foreign exchange futures) or currency swaps to hedge exposure to certain currencies.

The Sub-Fund will not use TRS or SFT.

The Sub-Fund may also hold instruments with embedded derivatives (warrants or certificates), on an ancillary basis, up to 10% of its net assets. The use of instruments with embedded derivatives will not have the effect of increasing the Sub-Fund's overall exposure to equity risk to more than 110% of the Sub-Fund's net assets.

Up to the limit of 10% of its net assets, the Sub-Fund may invest in units or shares of UCITS or other Investment Funds.

**The recommended minimum investment period is 5 years.**

**Frequency of share buying or selling:** Each day on which banks are generally open for business in Luxembourg, in France and any other day on which the French and American financial markets are open (official calendar of NYSE and EURONEXT PARIS S.A.) for orders received by the transfer agent no later than 12:30 pm (Luxembourg time) on the relevant Valuation Day.

**Income allocation:** Accumulation

### **Risk and Reward Profile**



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The definition of the risk and reward category is based on the historical performance data and/or the risk limit indicated in the Sub-Fund's investment policy. It may not be a reliable indication of the future risk profile of the Sub-Fund. The risk and reward category shown may change over time. Category 1 does not mean that an investment is risk-free. Investors should note that the Sub-Fund is not guaranteed or capital protected.

This Sub-Fund is rated in category 6, in line with the type of securities and geographic regions detailed under the heading "Objectives and investment policy", as well as the currency of the unit.

#### **Significant risks not taken into account in this indicator:**

**Credit risk** : When a significant level of investment is made in debt securities.

**Liquidity risk** : The markets for some securities and instruments may have limited liquidity. This limited liquidity could be a disadvantage to the Sub-Fund, both in the realisation of the prices quoted and the execution of orders at desired prices.

**Impact of techniques such as derivative contracts** : The use of derivatives instruments can infer a decrease of the asset more significant than the decrease of the invested underlying assets or markets.

**Counterparty risk** : Where a Fund is backed by collateral or has significant investment exposure through contracts with a third party.

**Operational risk** : The Sub-Fund may suffer losses due to the failure of operational processes, including those related to the safekeeping of assets.

The occurrence of any of these risks may negatively impact the net asset value.

# Charges

One-off charges taken before or after you invest	
Entry charge	None
Exit charge	None
This is the maximum that might be taken out of your money before it is invested or paid out.	
Charges taken from the Fund over a year	
Ongoing charges	1.84%
Charges taken from the Fund under certain specific conditions	
Performance fee	None

## Past Performance

Regulations state that only subscribed share classes or share classes with a past performance history greater than 12 months can be shown.

Charges and fees are paid to cover the operating costs of the Sub-Fund, including the cost of marketing and distributing share classes. These costs reduce the potential growth of your investment.

Investors may obtain the actual amount of entry and exit charges from their advisor or distributor. In certain cases you might pay less.

The ongoing charges are based on the estimated figures for the first financial year ending in December 2021.

This figure may vary from year to year. It excludes performance fees and intermediary fees except entry and exit charges paid by the Sub-Fund when buying or selling units and/or shares of another UCI.

For more information about charges, including information on performance fees and their calculation, please refer to the Sub-Fund's data sheet in the Fund prospectus.

Past performance is not an indication of future performance. It may vary over time. The performance indicated does not take into account costs and fees on issues and redemptions of units, but does include ongoing charges and intermediary fees as well as any performance fees collected.

Past performances are calculated in EUR, net dividends reinvested.

HUMAN CAPITAL was launched on 06/11/2020

Share class creation date: 04/2021

Benchmark: MSCI All Countries World Index (MSCI ACWI), net dividends reinvested

## Practical Information

Custodian: Edmond de Rothschild (Europe).

More detailed information on Edmond de Rothschild Fund the available sub-funds and share classes, such as the prospectus and the annual and semi-annual reports, may be obtained free of charge, in English, from the registered office of Edmond de Rothschild Asset Management (Luxembourg) at: 4 Rue Robert Stumper, L-2557 Luxembourg.

The latest price of the shares is available online at [www.edmond-de-rothschild.com](http://www.edmond-de-rothschild.com) in the « Fund Center » section.

This document describes the Class of the Sub-Fund. The prospectus, the annual reports and the semi-annual reports are prepared for the Fund as a whole. The assets and liabilities of the various sub-funds are segregated. The assets of any particular Sub-Fund will only be available to satisfy the debts, liabilities, and obligations which relate to that Sub-Fund. Shareholders are allowed to convert all or part of their shares into shares of another class of the Sub-Fund, or into shares of the same or of another sub-fund. For more details about how to switch shares, please refer to the dedicated section of the prospectus "Share conversion".

Detailed information concerning the remuneration policy of the Management company, namely, but not limited to a description of how remuneration and benefits are calculated are available on the website:

[www.edmond-de-rothschild.com/en/legal/luxembourg/terms-and-conditions](http://www.edmond-de-rothschild.com/en/legal/luxembourg/terms-and-conditions).

A paper copy of the summarised remuneration policy is available free of charge, upon request to shareholders.

This Fund is subject to Luxembourg tax law. Depending on your country of residence, this may have an impact on your tax situation. For more details, please consult a tax adviser.

Edmond de Rothschild Asset Management (Luxembourg) may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.

The Sub-Fund and its shares have not been registered with the Securities and Exchange Commission in the United States of America and the Fund will not be filing an application to receive authorisation to offer or sell shares to the public pursuant to the provisions of the U.S. Securities Act of 1933. The Sub-Fund is not and will not be registered pursuant to the U.S. Investment Company Act of 1940. The shares of this Sub-Fund cannot be offered and this document may not be distributed in the United States of America or any of the territories, possessions or regions under its jurisdiction.

This Fund is authorised in Luxembourg and supervised by the Commission de Surveillance du Secteur Financier.

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This key investor information is accurate as of 20/09/2021.