



EDMOND  
DE ROTHSCHILD



Morningstar Sustainability Rating



# EDR SICAV - EURO SUSTAINABLE CREDIT

February 2024

Edmond de Rothschild Asset Management

*Edmond de Rothschild SICAV Euro Sustainable Credit is a sub-fund of the French SICAV approved by the AMF and authorised for marketing in France, Luxembourg, Austria, Germany, Spain, Portugal, Switzerland and Italy.*

## MARKETING COMMUNICATION

This is an marketing communication. Please refer to the fund's prospectus and key information document before making any final investment decision.

This document is intended solely for professional investors, as defined in the MiFiD Directive, acting on their own behalf and/or on behalf of third parties on a discretionary basis and is not intended for non-professional investors. Edmond de Rothschild Asset Management (France) accepts no responsibility for the use that may be made of the information contained herein.

# EDR SICAV - EURO SUSTAINABLE CREDIT

## KEY POINTS

### ► Our conviction on Euro Sustainable Credit

We believe that active management combined with a strict selection of issuers based on financial AND sustainable criteria creates value over the long term

### ► A portfolio of euro-denominated corporate bonds

- › A Core Investment Grade / High Yield (max. 30%) diversification allocation
- › An average investment grade portfolio rating (min. BBB-)

### ► An approach combining top-down and bottom-up approaches

- › Top-down / macro views translated into risk allocation
- › Expert teams to identify the best investment ideas

### ► An inter-disciplinary analysis of companies

- › Conviction management: combining financial and extra-financial analysis
  - The IR team, which has developed its proprietary "Best in-universe" ESG approach
  - The Credit team, which has demonstrated its expertise through its track record in selecting issuers



**ALEXIS FORÊT**

Lead Manager



**ALEXANDER EVENTON**

Co-Manager



**JEAN-PHILIPPE DESMARTIN**

Head of Responsible Investments



**267 M€**

Assets under management



Launch Date (I-EUR):  
**30/10/2009**



**+18.25%** performance over 10 years (I-EUR) vs. +13.93% for its benchmark\*



**2 years minimum** recommended investment



**2/7**  
Risk Indicator



**Art. 8**  
SFDR Classification

\* Bloomberg Barclays Capital Euro Aggregate Corporate Total Return

Source: Edmond de Rothschild Asset Management (France). Data as of 31/01/2024 - I-EUR. Past performance is not indicative of future performance and is not constant over time and may be independently affected by changes in exchange rates. Morningstar rating as at 30/12/2023, Climetrics rating as of 30/09/2023. The rankings, ratings and labels are not recommendations to buy, sell or hold units or shares of the funds managed by Edmond de Rothschild Asset Management (France) and are not an indication of future rankings or awards of these funds or the manager. Please refer to the appendix for more details on ratings, rankings, awards, Risk Indicator and SFDR. The identity of the managers presented in this document may change during the life of the product.

# FIXED INCOME - WHO ARE WE?

**Alain KRIEF (4/31)\***  
Responsible for the  
Fixed Income

## HIGH YIELD & INVESTMENT GRADE

### HIGH YIELD

**Alexis FOREST**  
(8/18)\*

**Leo ABELLARD**  
(8/11)\*

**Alexis SEBAH**  
(3/7)\*

### FINANCIAL DEBT

**Julien de SAUSSURE**  
(16/18)\*

**Benjamin NICKLAUS**  
(7/20)\*

**Miguel RAMINHOS**  
(1/8)\*

### INVESTMENT GRADE

**Alexander EVENTON**  
(2/19)\*

**Marc LACRAZ**  
(14/16)\*

**15 YEARS OF EXPERIENCE**

## EMERGING DEBT

### EM SOUVERAINE

**Romain BORDENAVE**  
(12/13)\*

**Daniela SAVOIA**  
(1/11)\*

### EM CREDIT

**Stéphane MAYOR**  
(15/33)\*

**Lisa TURK**  
(8/10)\*

**17 YEARS OF EXPERIENCE**

## CONVERTIBLES

### EUROPE & WORLD

**Cristina JARRIN**  
(4/24)\*

**Mikaël DAUVERT**  
(2/22)\*

**23 YEARS OF EXPERIENCE**

## RESPONSIBLE INVESTMENT (RI)

**Jean-Philippe DESMARTIN** - Head of Responsible Investment

**Clemence Moullot** - Manager/Analyst

**Bénédicte BAZI** - RI Analyst

**Maria KAHANE** - RI Analyst

## SUPPORT FUNCTIONS

**Benjamin CONQUET** - Product Specialist

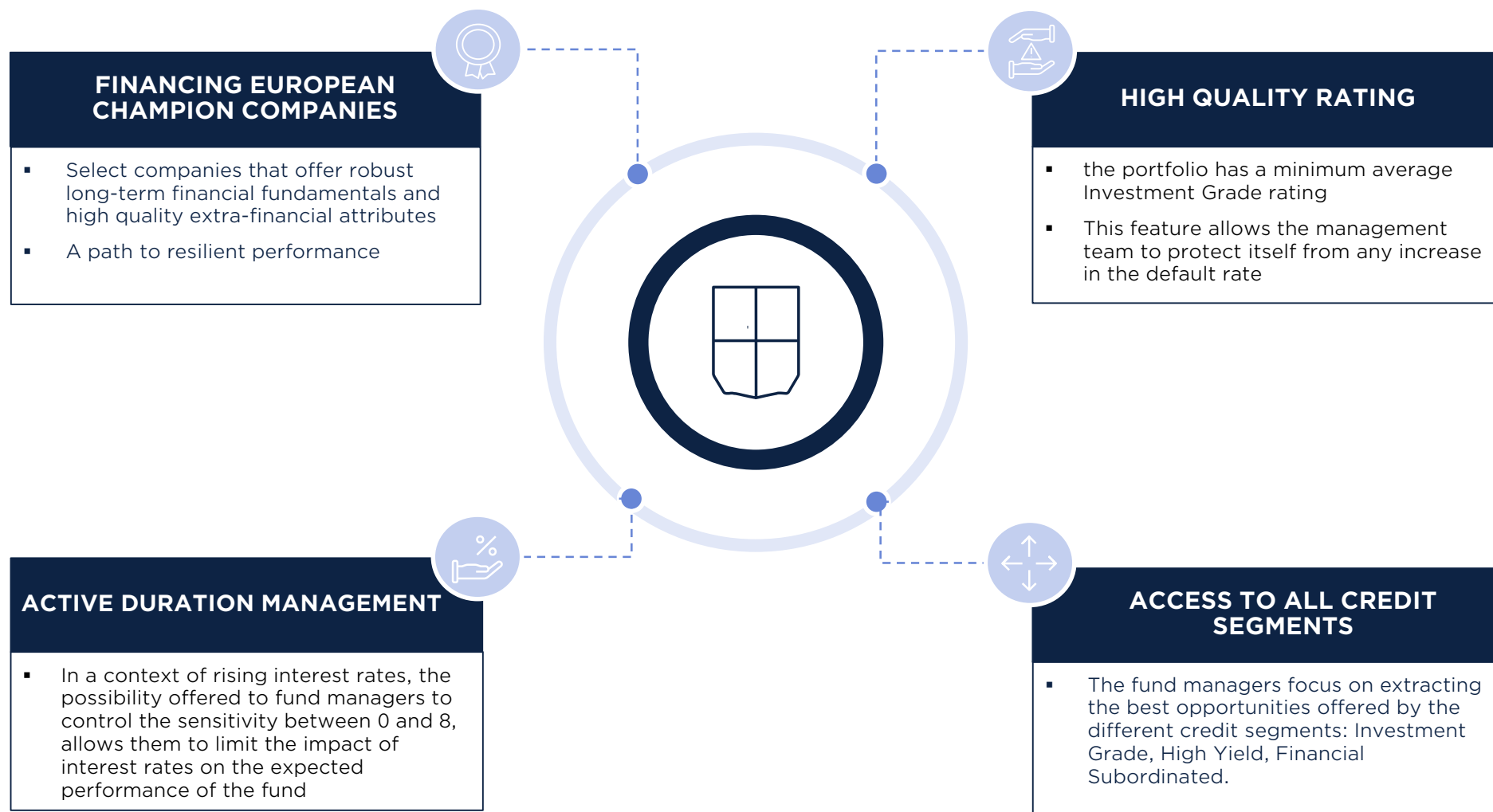
**Antoine VERGNON** - Head of Investment Process

# OUR CONVICTION ON EURO SUSTAINABLE CREDIT

EDMOND DE ROTHSCHILD, BOLD BUILDERS OF THE FUTURE.



# OUR CONVICTION ON EURO SUSTAINABLE CREDIT

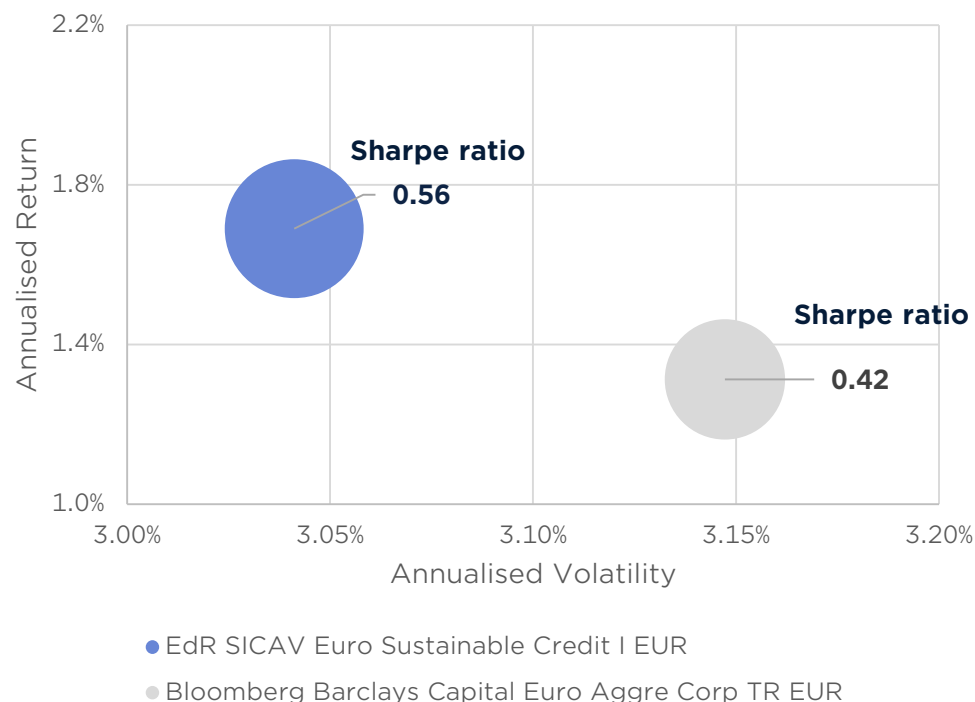


# OUR CONVICTION ON EURO SUSTAINABLE CREDIT

## FINANCING EUROPEAN CHAMPIONS

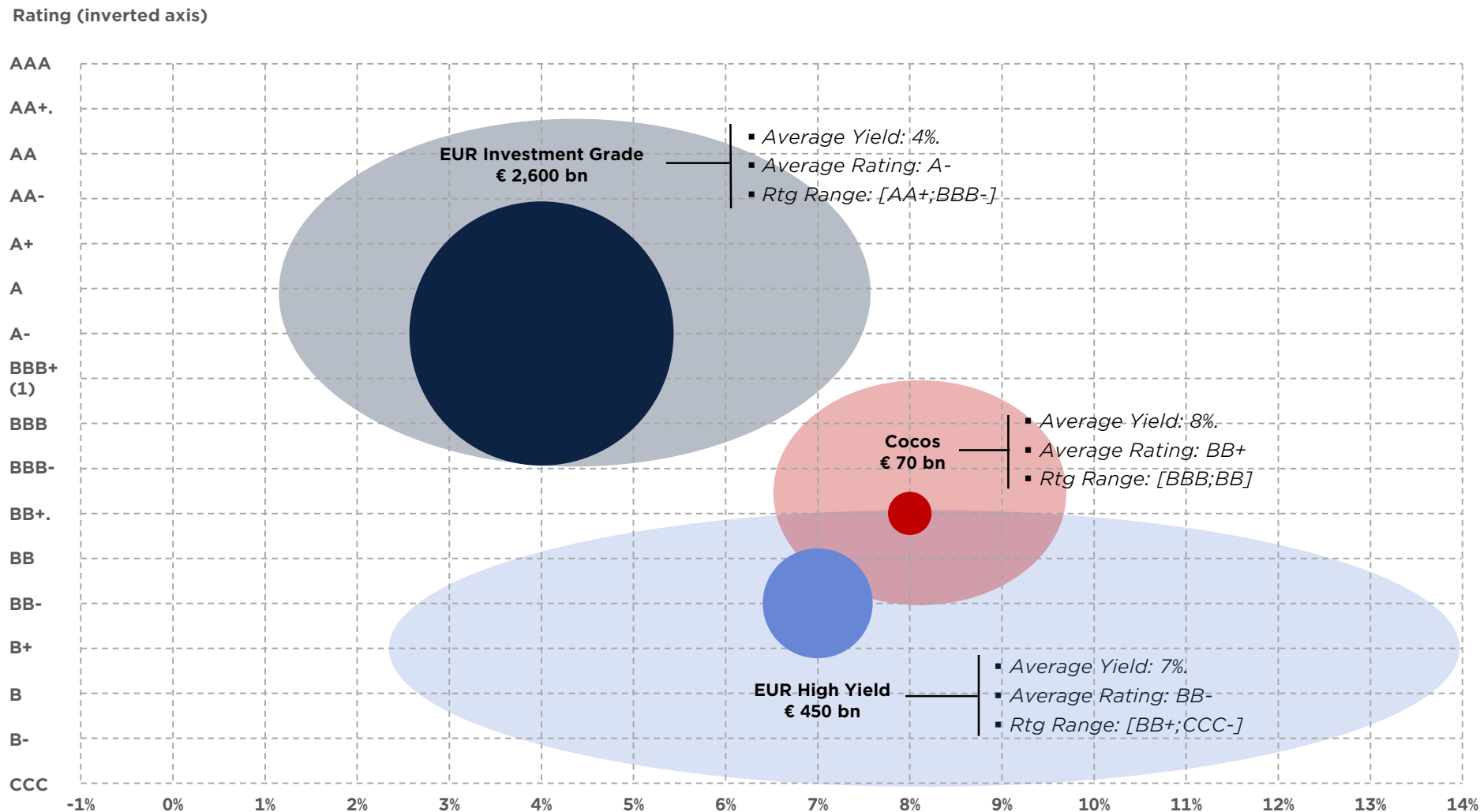
- ▶ We seek to select issuers based on the combination of:
  - ▶ the fundamental analysis performed by the Credit team, which has demonstrated its expertise through its track record in selecting issuers
  - ▶ the extra-financial analysis conducted by the Responsible Investment team, which has developed its own ESG analysis process
- ▶ **Our ability to identify the best investment ideas is a major factor contributing to resilience**

### 10-YEAR SHARPE RATIO\*



# OUR CONVICTION ON EURO SUSTAINABLE CREDIT

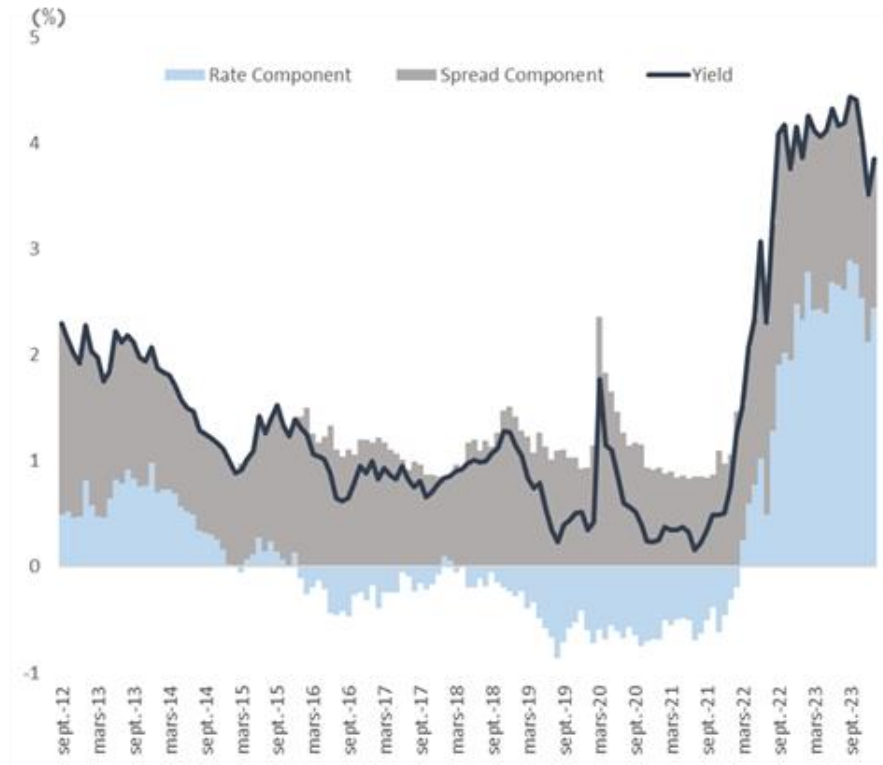
## INVESTMENT UNIVERSE: A BROAD AND DIVERSIFIED PLAYGROUND



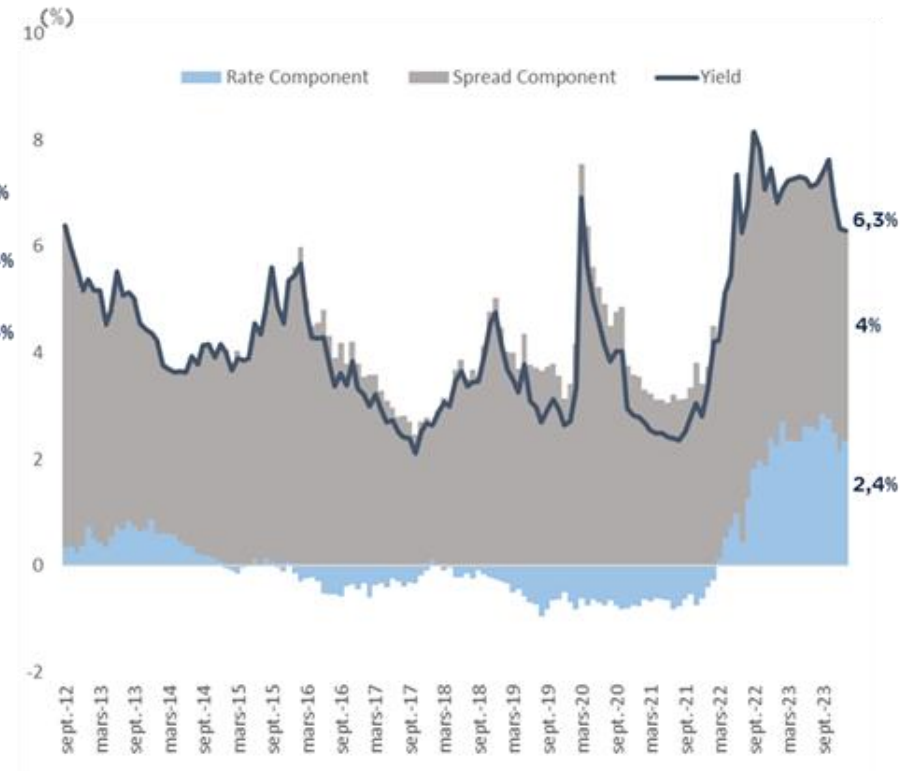
# OUR CONVICTION ON EURO SUSTAINABLE CREDIT

## BOTH YIELD COMPONENTS ARE POSITIVE

**EURO INVESTMENT GRADE - 10Y TREND IN YIELDS**



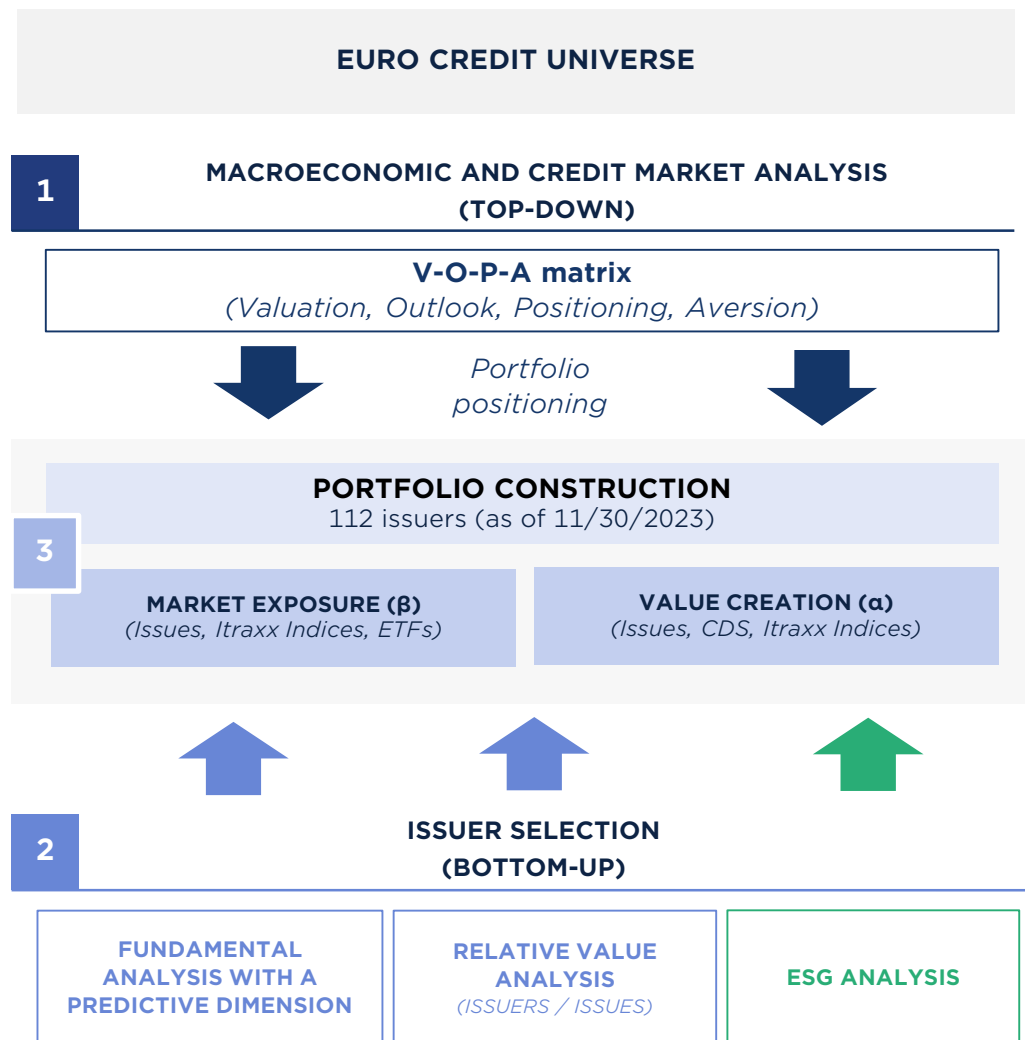
**EURO HIGH YIELD - 10 YEAR TREND IN YIELDS**





# FROM CONVICTION TO INVESTMENT DECISION

## A PROCESS THAT COMBINES TOP-DOWN AND BOTTOM-UP ANALYSIS



### 1 MACRO AND CREDIT MARKET ANALYSIS

DECISION-SUPPORT TOOLS TO CALIBRATE RISK EXPOSURE AND POSITIONING

- **Proprietary quantitative indicators** based on the VOPA matrix and other models such as *Fear & Greed*, *Trend Following/Momentum*, *In/Out flows* and *Selling Pressure Index*.
- **Top-Down Positioning:**



### 3 PORTFOLIO CONSTRUCTION

FLEXIBLE PROCESS FOCUSED ON VALUE CREATION

- **Exposure to the credit market ( $\beta$ )** through reference issuers selected on the basis of their liquidity and adjustments to match the portfolio to flows.
- **Value creation ( $\alpha$ )** through our strongest investment convictions, relative value arbitrage, special situations and macro hedging.

### 2 BOTTOM-UP SELECTION

FUNDAMENTAL AND RELATIVE VALUE ANALYSIS TO IDENTIFY THE BEST ISSUERS/STRATEGIES

- **Multifactor fundamental analysis** (business model, profitability monitoring, legal characteristics, meetings with management and shareholders)
- **Relative value analysis** based on comparable parameters - rating, duration, spread/net leverage, sector, valuations.

# MANAGEMENT FRAMEWORK



## CREDIT

Maximum 30% of High Yield issues (rating <BBB-)



## RATE SENSITIVITY

Sensitivity rate **between 0 and 8**, expected **between 3 and 6**



## GEOGRAPHY

OECD, **European Union, European Economic Area** or **G20** issuers



## CURRENCY RISK

**Fund denominated in euros. Currency risk is hedged.**  
Exposure to a currency other than the euro limited to  
**10% of assets under management.**

# INTEGRATING ESG ANALYSIS INTO OUR DAILY INVESTMENT PROCESS



## Article 8 SFDR classification

- ▶ The fund is classified as SFDR Article 8 because it promotes a Best-in-Universe approach.



## ESG constraints Min. Coverage & Ratings

- ▶ At least 75% of the securities in the portfolio have an ESG rating.
- ▶ The portfolio seeks an **ESG rating above that of its investment universe.**



## Exclusion policy

- ▶ EdR SICAV Euro Sustainable Credit excludes companies that contribute to the **production of controversial weapons** and those exposed to **thermal coal or tobacco activities**, in accordance with the EdR Group's exclusion policy\*.

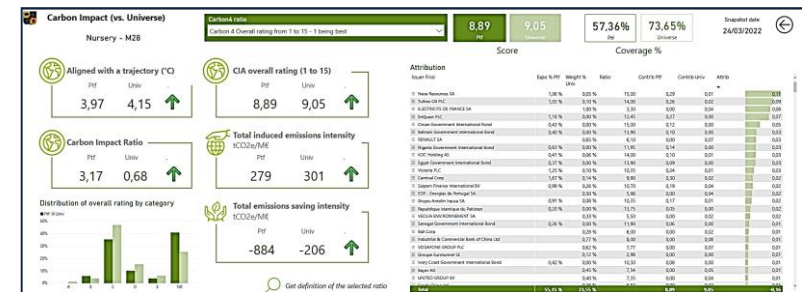
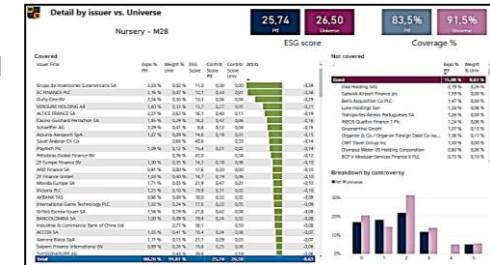


## Monitoring of climate change risks

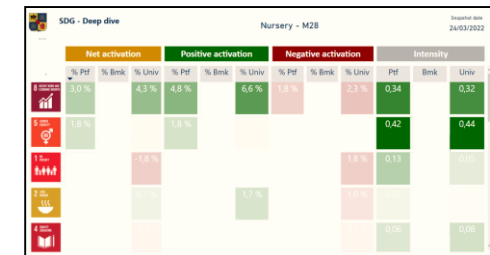
- ▶ **Climate transition risk** (carbon impact analysis) and **physical risk** (climate risk impact analysis)

## DEDICATED DASHBOARDS INTEGRATED TO THE MANAGEMENT SYSTEM

### ESG attribution and climate change risk monitoring



### Daily monitoring of the activation of the SDGs



\* Additional information on EDMOND's exclusion policy can be found on the following web page: <https://www.edmond-de-rothschild.com/SiteCollectionDocuments/Responsible-investment/OUR%20ENGAGEMENT/EN/EDRAM-FR-Exclusion-Policy.pdf>

# PORTFOLIO STRUCTURE AND PERFORMANCE

# PORTFOLIO STRUCTURE

## Key figures

|                         |                |
|-------------------------|----------------|
| Fund size               | EUR 267.2 mil. |
| Number of holdings      | 183            |
| Total number of issuers | 116            |
| Cash                    | 3.61%          |

## 10 Main holdings

|                       |
|-----------------------|
| TDCDC 6 1/2 06/01/31  |
| RY 4 1/8 07/05/28     |
| MCFP 3 1/4 09/07/29   |
| PLD 4 5/8 05/23/33    |
| NYLIFE 3.45 01/30/31  |
| HTHROW 2 3/4 10/13/29 |
| SHBASS 1 04/15/25     |
| SLHNVX 3 1/4 08/31/29 |
| LRFP 0 5/8 06/24/28   |
| LONNVX 3 7/8 05/25/33 |

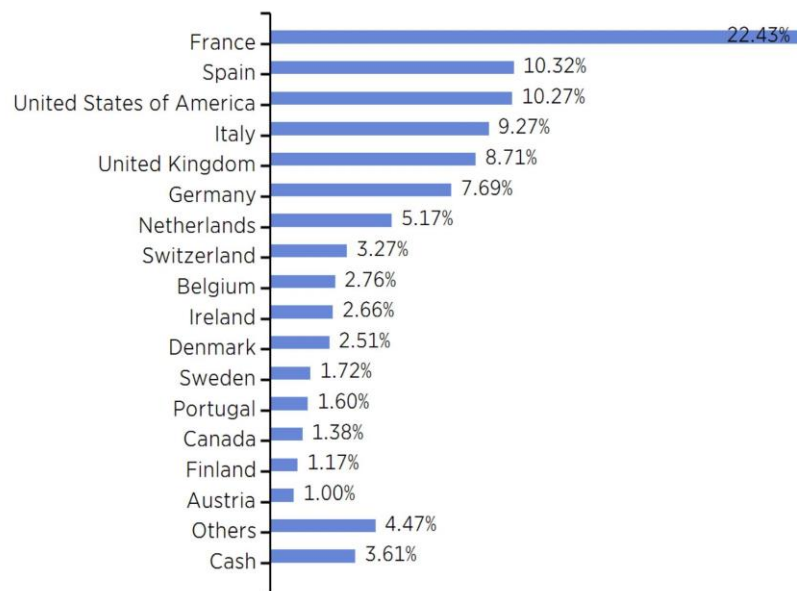
**Total**

## Main issuers (except monetary assets)

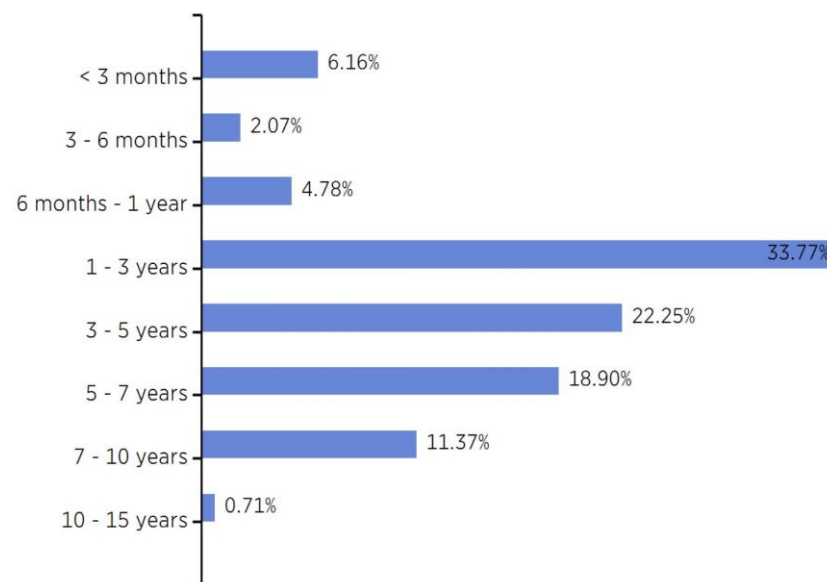
|                                  |       |
|----------------------------------|-------|
| DKT Finance ApS                  | 1.39% |
| Royal Bank of Canada             | 1.38% |
| LVMH Moët Hennessy Louis Vuitton | 1.27% |
| ProLogis Inc                     | 1.23% |
| New York Life Global Funding     | 1.14% |
| FGP TopCo Ltd                    | 1.12% |
| Svenska Handelsbanken AB         | 1.05% |
| Swiss Life Holding AG            | 1.04% |
| Legrand SA                       | 1.02% |
| Lonza Group AG                   | 1.00% |

**11.65%**

## Country breakdown (excluding derivatives)



## Breakdown by maturity to next call (excluding derivatives)



EdR SICAV - Euro Sustainable Credit

EdR SICAV - Euro Sustainable Credit

# PORTFOLIO STRUCTURE

## Actuarial data (weighted averages)

| Yield (1) | Spread | Maturity (2) | Duration | Modified duration | Rating (2/3) |
|-----------|--------|--------------|----------|-------------------|--------------|
| 5.05      | 162.99 | 3.78         | 5.18     | 5.02              | BBB          |

(1) The lowest of the two actuarial rates (call and maturity) - The actuarial yield includes interest rate derivatives

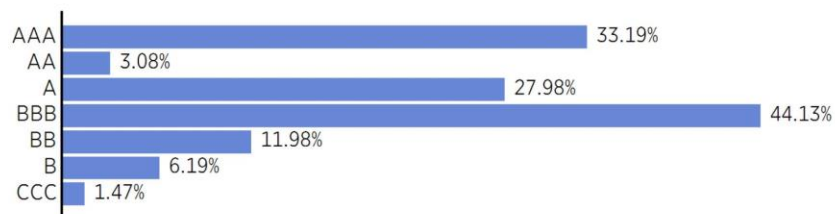
(2) Analyses calculated excluding derivatives on the scope of interest rate instruments

(3) Calculated excluding unrated securities - Ratings source: Second best (S&P, Moody's, Fitch) Long-term credit rating

## Carbon Footprint (Main share)

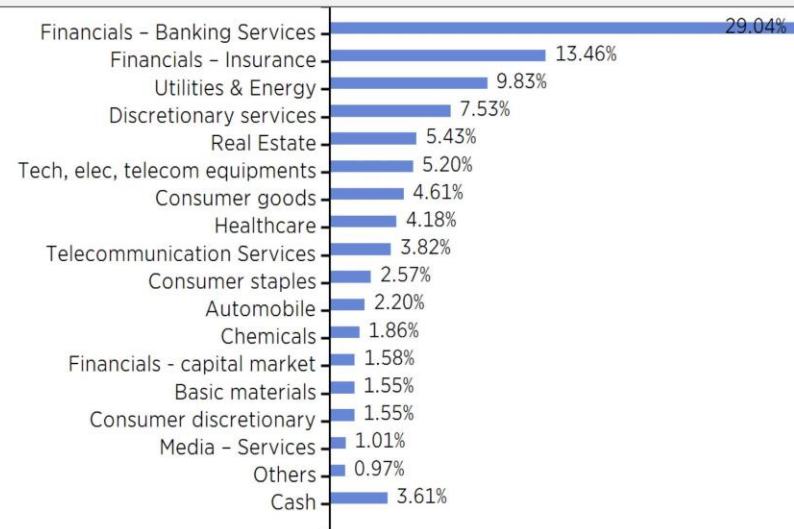
| Carbon Footprint         | Class | Index  |
|--------------------------|-------|--------|
| tons eq. CO2/M€ invested | 98.22 | 179.89 |

## Rating breakdown



EdR SICAV - Euro Sustainable Credit

## Sector breakdown (excluding derivatives)



EdR SICAV - Euro Sustainable Credit

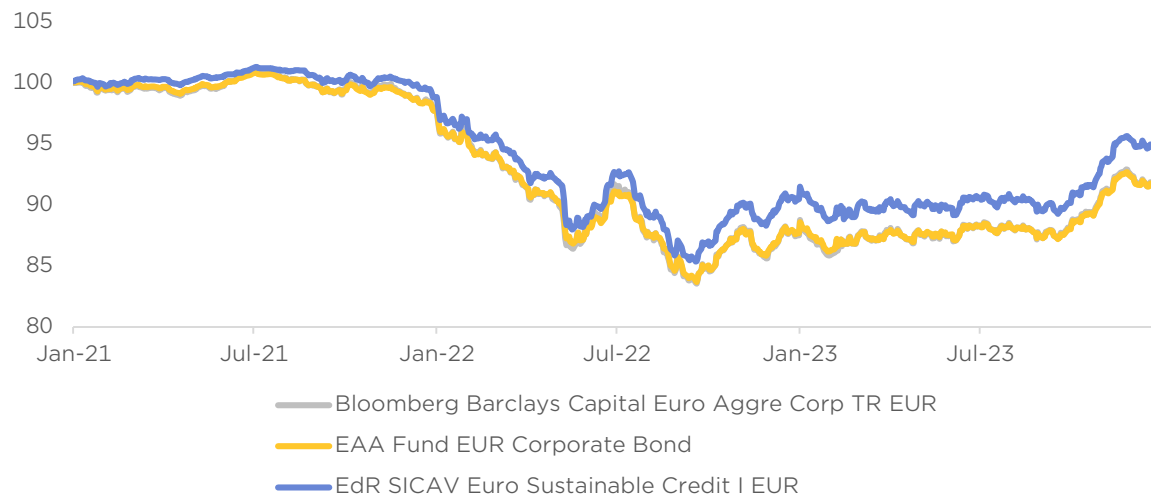
## Breakdown by instrument type



EdR SICAV - Euro Sustainable Credit

# EDR SICAV - EURO SUSTAINABLE CREDIT

AS AT 31/01/2024



| Risk indicators (3 years) | Volatility | Sharpe Ratio |
|---------------------------|------------|--------------|
| Fund                      | 6.5%       | -0.37        |
| Benchmark                 | 6.4%       | -0.55        |

| Rolling Performance  | YTD  | 1 year | 3 years | 5 years | 10 years | Cumulative since inception* |
|----------------------|------|--------|---------|---------|----------|-----------------------------|
| Fund                 | 0.5% | 6.2%   | -4.0%   | 3.4%    | 18.2%    | 44.1%                       |
| Benchmark            | 0.1% | 6.0%   | -7.2%   | 0.1%    | 13.9%    | 44.0%                       |
| Morningstar Category | 0.1% | 5.6%   | -7.4%   | -1.2%   | 9.5%     | 35.6%                       |

| Calendar Performance | 2023 | 2022   | 2021  | 2020  | 2019 | Annualised since inception* |
|----------------------|------|--------|-------|-------|------|-----------------------------|
| Fund                 | 8.1% | -11.8% | 0.0%  | 2.1%  | 7.0% | 2.6%                        |
| Benchmark            | 8.2% | -13.6% | -1.0% | 2.8%  | 6.2% | 2.6%                        |
| Morningstar Category | 0.0% | 5.6%   | -2.5% | -0.2% | 0.9% | 2.2%                        |

Source : Edmond de Rothschild Asset Management (France). Portfolio data as of 31/01/2024. Past performance and volatility are not indicative of future performance and volatility and are not constant over time and may be independently affected by changes in exchange rates. Performance data is net of management and performance fees but does not include the annual costs or fees and charges when issuing or redeeming units. Morningstar rating as of January 2024. Morningstar category EEA Fund EUR Corporate Debt. \* I-EUR 30.10.2009

# CONCLUSION

- ▶ Fund has **outperformed** since receiving its SRI Label in 2015
- ▶ Portfolio managers **supported** by credit expert teams for idea generation
- ▶ Team organization allows **combined** credit products and offer a valuable proposition
- ▶ Complementary ESG effort to **strengthen** analysis and investment process
- ▶ **4 Stars Morningstar at 5 leaves Climetrics**

Morningstar rating as at 30/01/2024, Climetrics rating as of 30/11/2023 . The rankings, ratings and labels are not recommendations to buy, sell or hold units or shares of the funds managed by Edmond de Rothschild Asset Management (France) and are not an indication of future rankings or awards of these funds or the manager. Please refer to the appendix for more details on ratings, rankings, awards, Risk Indicator and SFDR.



# APPENDIX

## TEAM AND TOOLS



# PORTFOLIO MANAGERS



**Alexis FORET**

**18 years of experience**

**Portfolio Manager /Analyst, specialist in high yield debt.**

Alexis Foret joined the Edmond de Rothschild Group in April 2014 as a High Yield Analyst and Portfolio Manager. Prior to joining the Group, Alexis Foret worked 2 years as a senior credit analyst for Candriam (formerly Dexia Asset Management) and 6 years (from 2006 to 2012) as an analyst at Moody's Investors Service, covering the TMT sector and high yield corporate issuers. In 2005, he worked at Calyon where he was an analyst for the EMEA Corporate Syndicated Loans department in London and for the Debt Capital Markets division of HSBC in 2004.



**Alexander EVENTON**

**20 years of experience**

**Portfolio Manager/Analyst, Investment Grade/Hybrid Corporate Bonds Specialist**

Alexander Eventon joined the Edmond de Rothschild Group at the end of 2021.

Prior to joining Edmond de Rothschild Asset Management, he was the founder and Co-CIO of his own London-based fund.

Previously, Alexander held Senior Fixed Income/Credit and Lead Portfolio Manager positions at Oddo BHF Asset Management, Lombard Odier and FFTW/BNP Paribas in Switzerland, France and the UK, managing large institutional and family office/private clients. Alexander studied economics at the University of Bristol and the University of Grenoble.

# EXTERNAL RESOURCES COMPLEMENTING OUR INTERNAL CAPABILITIES

## Credit Search



Specialized data provider  
on high yield credit



Network of independent experts



Independent leader in analysis  
credit covering the market of the  
global private debt



Extensive research on the  
high efficiency



An independent credit specialist  
specializing in distressed issuers in  
Europe

## ESG Research



**SUSTAINALYTICS** Leader in ESG rating



Independent consultant in  
voting matters



Specialized Media Aggregator  
on the analysis of controversies



**carbone 4**

Data provider of 1<sup>er</sup>  
climate and emissions plan  
of carbon



Reference Initiative for the  
climate communication;  
classification of issuers



ESG rating and monitoring ;  
Analysis of the SDGs

# CREDIT RISK CALIBRATION (V-O-P-A)

## V-O-P-A: 4 ANALYSIS FACTORS



VOPA is a proprietary quantitative indicator based on 4 pillars (1 Valuation, 2 Positioning, 3 Outlook, 4 Risk Aversion) and calculated on a weekly basis. VOPA is an investment decision-making tool used by portfolio managers to calibrate risk exposure in the fund.

1. The credit assessment indicator is a scoring of absolute and relative credit segments.
2. The positioning indicator is calculated as a score of various market positioning indicators (brokers, asset managers, CDS and options markets).
3. The risk aversion indicator is a score of various risk appetite measures, combining both EdRAM's own calculations and external indices.
4. The outlook is based on our proprietary macro indicator, which uses key global economic indicators.

# APPENDIX

## ESG



# ESG PROFILE – CARBON EXPOSURE



## Carbon Impact (vs. Benchmark)

EdR SICAV - Euro Sustainable Credit

### Carbon4 ratio

Carbon 4 Overall rating from 1 to 15 - 1 being best

### Aligned with a trajectory (°C)

| Ptf  | Bmk  |   |
|------|------|---|
| 2,16 | 2,68 | ↑ |

### CIA overall rating (1 to 15)

| Ptf  | Bmk  |   |
|------|------|---|
| 7,49 | 7,96 | ↑ |

### Carbon Impact Ratio

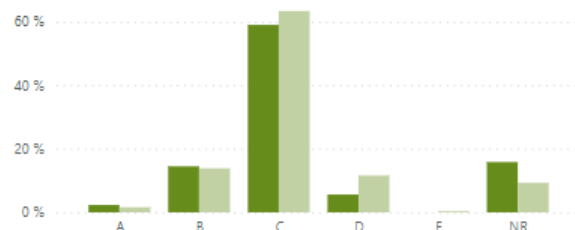
| Ptf  | Bmk  |   |
|------|------|---|
| 0,51 | 0,14 | ↑ |

### Total induced emissions intensity retreated tCO<sub>2</sub>e/M€

| Ptf | Bmk |   |
|-----|-----|---|
| 97  | 173 | ↑ |

### Distribution of overall rating by category

● Ptf ● Bmk



### Total emissions saving intensity tCO<sub>2</sub>e/M€

| Ptf | Bmk |   |
|-----|-----|---|
| -50 | -24 | ↑ |

[Get definition of the selected ratio](#)

# ESG PROFILE – RATINGS & CONTROVERSIES



## Detail by issuer vs. Benchmark

Snapshot date

29/12/2023

EdR SICAV – Euro Sustainable Credit

12,40

Ptf

11,40

Bmk

ESG score

92 %

Ptf

97 %

Bmk

Coverage

## ESG score attribution

| Issuer Final                             | Expo % Ptf    | Weight % Bmk  | ESG Score | E    | S    | G    | Score chg period | Sust. Invest | Contrib Score Ptf | Contrib Score Bmk | Attrib       |
|--|---------------|---------------|-----------|------|------|------|------------------|--------------|-------------------|-------------------|--------------|
| Verizon Communications Inc               |               | 0,7 %         | 13,4      | 20,0 | 11,6 | 12,0 | ▲                | ✓            |                   | 0,10              | 0,01         |
| Bank of Ireland Group PLC                | 2,0 %         | 0,2 %         | 10,7      | 11,7 | 8,7  | 12,0 | ■                | ✓            | 0,23              | 0,02              | 0,01         |
| International Business Machines Corp     |               | 0,6 %         | 13,5      | 17,8 | 12,2 | 13,2 | ■                | ✓            |                   | 0,09              | 0,01         |
| Autostrade per l'Italia SpA              | 1,5 %         | 0,3 %         | 10,6      | 7,8  | 13,4 | 12,8 | ■                | ✓            | 0,18              | 0,03              | 0,01         |
| British Telecommunications PLC           |               | 0,3 %         | 14,9      | 20,0 | 13,6 | 14,0 | ■                | ✓            |                   | 0,04              | 0,01         |
| Nationwide Building Society              |               | 0,2 %         | 15,0      | 14,6 | 13,0 | 17,2 | ■                | ✓            |                   | 0,04              | 0,01         |
| DNB BANK ASA                             |               | 0,3 %         | 13,9      | 16,0 | 10,2 | 15,4 | ■                | ✓            |                   | 0,05              | 0,01         |
| American Tower Corp                      |               | 0,2 %         | 15,1      | 20,0 | 14,0 | 12,2 | ■                | ✓            |                   | 0,04              | 0,01         |
| Abertis Infraestructuras SA              |               | 0,3 %         | 13,9      | 15,2 | 15,6 | 13,4 | ▼                | ✓            |                   | 0,05              | 0,01         |
| Villa Dutch Bidco BV                     | 0,6 %         | 0,0 %         | 10,1      | 8,2  | 11,2 | 10,0 | ■                |              | 0,07              |                   | 0,01         |
| Wendel SE                                | 0,9 %         | 0,1 %         | 10,5      | 11,3 | 12,7 | 8,5  | ■                | ✓            | 0,11              | 0,01              | 0,01         |
| Telia Co AB                              |               | 0,2 %         | 15,4      | 20,0 | 13,4 | 15,8 | ▼                | ✓            |                   | 0,03              | 0,01         |
| Italgas SpA                              |               | 0,2 %         | 15,9      | 20,0 | 18,2 | 10,2 | ■                | ✓            |                   | 0,03              | 0,01         |
| Transurban Finance Company Pty Ltd       |               | 0,1 %         | 17,4      | 14,4 | 19,4 | 17,6 | ■                | ✓            |                   | 0,02              | 0,01         |
| Ardagh Packaging Finance PLC / Ardagh... | 0,5 %         | 0,0 %         | 10,1      | 12,5 | 10,0 | 7,8  | ■                |              | 0,06              |                   | 0,01         |
| NATIONAL GRID PLC                        |               | 0,2 %         | 14,4      | 16,6 | 10,4 | 16,2 | ■                | ✓            |                   | 0,03              | 0,01         |
| Virgin Media Secured Finance PLC         | 0,6 %         | 0,0 %         | 10,4      | 20,0 | 8,8  | 6,8  | ▼                |              | 0,07              |                   | 0,01         |
| NatWest Group PLC                        |               | 0,3 %         | 13,6      | 20,0 | 9,0  | 12,8 | ▲                | ✓            |                   | 0,04              | 0,01         |
| Danone SA                                |               | 0,3 %         | 13,3      | 12,6 | 15,5 | 11,6 | ■                | ✓            |                   | 0,04              | 0,01         |
| RELX Finance BV                          |               | 0,1 %         | 15,9      | 20,0 | 13,0 | 16,8 | ■                |              |                   | 0,02              | 0,01         |
| DS Smith PLC                             | 0,4 %         | 0,1 %         | 9,9       | 10,8 | 4,6  | 14,8 | ■                | ✓            | 0,05              | 0,01              | 0,01         |
| SWEDBANK AB                              |               | 0,4 %         | 12,8      | 12,1 | 12,6 | 13,3 | ■                | ✓            |                   | 0,05              | 0,01         |
| Banque Federative du Credit Mutuel SA    |               | 1,7 %         | 11,7      | 12,0 | 10,2 | 12,8 | ▲                | ✓            |                   | 0,21              | 0,01         |
| Nykredit Realkredit A/S                  |               | 0,2 %         | 13,5      | 13,6 | 11,8 | 15,0 | ■                | ✓            |                   | 0,03              | 0,01         |
| Nestle Finance International Ltd         | 0,8 %         | 0,5 %         | 10,0      | 11,1 | 7,9  | 11,0 | ▼                |              | 0,09              | 0,05              | 0,01         |
| DH Europe Finance II Sarl                |               | 0,2 %         | 13,8      | 20,0 | 12,6 | 12,2 | ▼                | ✓            |                   | 0,03              | 0,01         |
| Credit Mutuel Arkea SA                   |               | 0,4 %         | 12,6      | 14,2 | 9,2  | 15,2 | ▼                | ✓            |                   | 0,05              | 0,01         |
| NatWest Markets PLC                      |               | 0,2 %         | 13,6      | 20,0 | 9,0  | 12,8 | ▲                | ✓            |                   | 0,03              | 0,00         |
| <b>Total</b>                             | <b>89,9 %</b> | <b>96,6 %</b> |           |      |      |      |                  |              | <b>12,40</b>      | <b>11,40</b>      | <b>-1,01</b> |



Sustainable Investment

75 %

30 %



70 %

% ptf

Threshold



% bmk

E



S



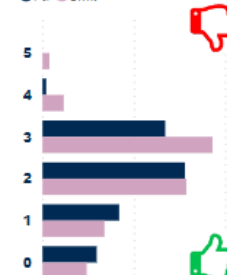
G



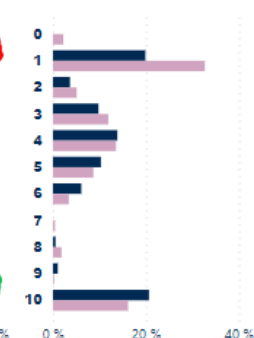
## Controversies

### Sustainalytics

● Ptf ● Bmk



### MSCI



Source : Edmond de Rothschild Asset Management (France), MSCI adjusted (ESG score), Carbone 4 (Sustainability Investment), data as of December 2023.

# ESG PROFILE – SDGs



**SDG - Deep dive**

EdR SICAV – Euro Sustainable Credit

Snapshot date  
29/12/2023

|   | Net activation |        |        | Positive activation |       |        | Negative activation |       |        | Intensity |      |      |
|---|----------------|--------|--------|---------------------|-------|--------|---------------------|-------|--------|-----------|------|------|
|   | % Ptf          | % Bmk  | % Univ | % Ptf               | % Bmk | % Univ | % Ptf               | % Bmk | % Univ | Ptf       | Bmk  | Univ |
| 8 DECENT WORK AND ECONOMIC GROWTH         | 10,9 %         | -0,7 % | -0,9 % | 10,9 %              | 5,0 % | 4,5 %  |                     | 5,7 % | 5,5 %  | 0,56      | 0,22 | 0,22 |
| 13 CLIMATE ACTION                         | 9,1 %          | -1,4 % | -1,7 % | 10,3 %              | 4,2 % | 4,2 %  | 1,1 %               | 5,7 % | 5,9 %  | 0,68      | 0,37 | 0,36 |
| 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 8,7 %          | 2,8 %  | 2,8 %  | 8,7 %               | 6,0 % | 6,0 %  |                     | 3,3 % | 3,3 %  | 0,28      | 0,07 | 0,08 |
| 10 REDUCED INEQUALITIES                   | 4,5 %          | -3,2 % | -3,2 % | 5,2 %               | 3,6 % | 3,3 %  | 0,8 %               | 6,7 % | 6,5 %  | 0,40      | 0,15 | 0,16 |
| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 4,4 %          | -1,4 % | -1,4 % | 6,5 %               | 4,4 % | 4,5 %  | 2,1 %               | 5,9 % | 5,9 %  | 0,22      | 0,07 | 0,07 |

Source : Edmond de Rothschild Asset Management (France), données au 29/12/2023.

EDMOND DE ROTHSCHILD



# INFORMATION ON RANKINGS, RATINGS AND LABELS

**The rankings, ratings and labels are not recommendations to buy, sell or hold units or shares of the UCIs managed by Edmond de Rothschild Asset Management (France) and do not prejudice the future rankings or prices of these UCIs or the manager.**

**SRI label:** Created and supported by the Ministry of Finance, this label aims to increase the visibility of SRI products among investors in France and Europe. SRI investment aims to reconcile economic performance with social and environmental impact by financing companies that contribute to sustainable development in all sectors of activity.

**Morningstar Rating:** Morningstar ratings are not market rankings and should not be construed as a recommendation to buy, sell, or continue to hold units or shares of the above-mentioned Fund and are not a reliable indicator of the future performance of the Fund or the Management Company.

**Climetrics Rating:** The Climetrics Rating is a simplified 1-5 leaf rating that makes it easier for you to find climate-friendly investment funds and invest with a conscience. Funds with the highest scores (4 or 5 leaves) are best positioned to finance the transition to a low-carbon economy and invest in companies that are, on average: lower GHG emitters, better prepared for climate change, and more likely to use green technologies.

**Risk Indicator:** The risk indicator rates this fund on a scale of 1 to 7. This indicator is used to assess the level of risk of this product in comparison to other funds and a category 1 rating does not mean that the investment is risk free. In addition, it indicates the likelihood that this product will incur losses in the event of market movements or our inability to pay you. This indicator assumes that you hold the product until the end of the recommended holding period of this fund. The actual risk may be very different if you choose to exit before the end of the recommended holding period of this Fund.

**SFDR classification:** A fund's investment policy may change over time and therefore its classification under the Sustainable Finance Disclosure Regulation (SFDR) may change. If you have any doubts about the SFDR classification of a fund, please contact your regular advisor.

- Section 8 SFDR: Section 8 funds under the Sustainable Finance Disclosure Regulation (SFDR): funds that promote environmental or social attributes.
- Article 9 SFDR: Article 9 funds according to the Sustainable Finance Disclosure Regulation (SFDR): funds whose investment policy includes a sustainable investment objective.

# POTENTIAL RISKS

The risk indicator rates this fund on category 2 on a scale of 1 to 7. This indicator is used to assess the level of risk of this product in comparison to other funds and a category 1 rating does not mean that the investment is risk free. In addition, it indicates the likelihood that this product will incur losses in the event of market movements or our inability to pay you. This indicator assumes that you hold the product until the end of the recommended holding period of this fund. The actual risk may be very different if you choose to exit before the end of the recommended holding period of this Fund.

The risks described are not exhaustive.

- ▶ **Risk of capital loss:** The UCITS and mandates presented in this document do not benefit from any guarantee or protection, and it is therefore possible that the capital initially invested may not be fully returned.
- ▶ **Discretionary management risk:** The discretionary management style is based on anticipating the evolution of the various markets. There is a risk that investments may not be made at all times in the best performing markets
- ▶ **Credit risk :** The valuation of debt securities and other financial instruments is affected by the creditworthiness of the issuer. This results in variations in the capital value of the securities depending on the market's assessment of the financial strength of the issuers, which may lead to a fall in the net asset value of the UCITS in the event of a negative variation.

Credit risk is the risk that the issuer of bonds or money market securities will not be able to meet its obligations.

- ▶ **Credit risk of investing in speculative securities:** The UCITS may invest in issues of companies rated as non-investment grade at the time of purchase by a rating agency (rating below BBB- according to Standards & Poor's or any other equivalent rating assigned by another independent agency or benefiting from an equivalent internal rating by the Management Company) or considered equivalent by the Management Company. These issues are so-called speculative securities for which the risk of issuer default is higher. This UCITS must therefore be considered as partly speculative and aimed more particularly at investors aware of the risks inherent in investments in these securities. Thus, the use of "high yield / High Yield" securities (speculative securities for which the risk of default of the issuer is higher) may lead to a higher risk of decrease of the net asset value.
- ▶ **Interest rate risk:** Exposure to interest rate products (debt securities and money market instruments) makes the UCITS sensitive to interest rate fluctuations. The interest rate risk results in a possible decrease 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.
- ▶ **SRI (socially responsible investment) selection risk:** The selection of SRI securities may cause the fund to deviate from the benchmark.
- ▶ **Risk related to inflation:** The characteristics of the UCI do not protect the investor from the potential effect of inflation during the period of investment in the UCI. Thus, the amount invested in principal and the possible income from movable property received during the period will not be revalued by the rate of inflation over this same period. Therefore, the real performance of the UCI, i.e. the net performance of the UCI corrected by the inflation rate, could be negative

# TERMS AND CONDITIONS

|                 | Subclasses       | Investors concerned by marketing           | Investment initial minimum | Distribution / Capitalization | Rights of entry maximum | Rights of output maximum | Fees for actual management | Commissions from performance | Index of reference                                    |
|-----------------|------------------|--|----------------------------|-------------------------------|-------------------------|--------------------------|----------------------------|------------------------------|---|
| <b>Class A</b>  | EUR FR0010172767 | All subscribers                            | 1 Part                     | Capitalization                | 1%                      | -                        | 0,95%                      | 15%                          | Bloomberg Barclays Euro Aggregate Corporates TR (EUR) |
| <b>Class B</b>  | EUR FR0010789313 | All subscribers                            | 1 Part                     | Distribution                  | 1%                      | -                        | 0,95%                      | 15%                          | Bloomberg Barclays Euro Aggregate Corporates TR (EUR) |
| <b>Class CR</b> | EUR FR0013305828 | All subscribers under conditions           | 1 Part                     | Capitalization                | 1%                      | -                        | 0,5%                       | 15%                          | Bloomberg Barclays Euro Aggregate Corporates TR (EUR) |
| <b>Class I</b>  | EUR FR0010789321 | Legal entities and institutional investors | 500 000                    | Capitalization                | -                       | -                        | 0,35%                      | 15%                          | Bloomberg Barclays Euro Aggregate Corporates TR (EUR) |
| <b>Class K</b>  | EUR FR0013400066 | Legal entities and institutional investors | 500 000                    | Capitalization                | -                       | -                        | 0,6%                       | -                            | Bloomberg Barclays Euro Aggregate Corporates TR (EUR) |

# TERMS AND CONDITIONS

|                | Subclasses       | Investors concerned by marketing   | Investment initial minimum | Distribution / Capitalization | Rights of entry maximum | Rights of output maximum | Fees for actual management | Commissions from performance | Index of reference                                    |
|----------------|------------------|--|----------------------------|-------------------------------|-------------------------|--------------------------|----------------------------|------------------------------|---|
| <b>Class N</b> | EUR FR0010908285 | Legal entities and institutional investors   | 10 000 000                 | Capitalization                | -                       | -                        | 0,25%                      | 15%                          | Bloomberg Barclays Euro Aggregate Corporates TR (EUR) |
| <b>Class R</b> | EUR FR0013201001 | All subscribers, plus share particularly intended to be marketed by Distributors selected for this effect by the Management Company. | 1 Part                     | Capitalization                | 1%                      | -                        | 1,15%                      | 15%                          | Bloomberg Barclays Euro Aggregate Corporates TR (EUR) |

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AMF approval number GP 04000015, 332.652.536 R.C.S. Paris

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