



# MILLESIMA 2024 (C) / (D)

MILLESIMA 2024 (C) / (D)

TARGET MATURITY FUND

EDMOND DE ROTHSCHILD ASSET MANAGEMENT

CORPORATE DEBT

Fund size : EUR 76,93 mil.

## GENERAL INFORMATION

### Investment objective

MILLESIMA 2024 aims, over its recommended investment period, to achieve performance linked to trends on the international fixed-income markets, particularly through exposure to high-yield securities maturing in December 2024 at the latest.

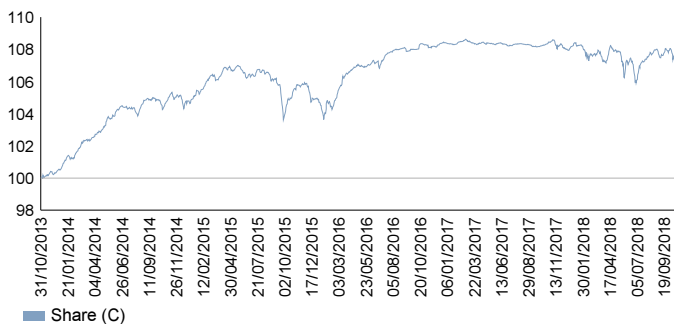
### Monthly comment

Investors' concerns regarding economic growth increased in October on fears that global growth may slow due to trade tension and impacts of emerging markets. The IMF lowered its economic forecast and warned that growth in some of the biggest economies may have already peaked. The Italian risk continued to weight on the market with a one notch downgrade by Moody's for the sovereign rating which remains investment grade. In this context, European High Yield spreads widened by 52 basis points versus government bonds and thus posted a -0.97% loss over the month. Naturally, in this risk aversion move, lower rated bonds sharply underperformed BB's. All sectors had a negative performance excepted Media which posted a 0.3% of total return.

On the primary market Warner Music Group (B1/B3) issued €250 million of a 8 years maturity bond with a 3.625% coupon, El Corte Inglés (Ba1/BB) issued a 6 years bonds with a coupon of 3% for an amount of €600 million, Playtech (B2) issued € 530 million of a 5 years bond with a 3% coupon, Rossini (B2/B) issued €1.3 billion through one 6.75% coupon tranche and one variable coupon tranche. Netflix (BB-) issued €1.1 billion and \$800 million with respective coupons of 4.625% and 6.375% over a maturity of 11 years.

## PERFORMANCES

### Net performance chart (from 31/10/13 to 31/10/18)



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

	Share (C)
1 month	-1,03
3 months	-0,65
6 months	-1,18
YTD	-1,40
1 year	-1,69
2 years	-1,46
3 years	1,10
5 years	6,68
Since inception	17,91

### Net performance

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual
2014	0,65	0,91	0,34	0,65	0,65	0,55	-0,08	0,48	-0,01	0,09	0,23	-0,35	4,18
2015	0,40	0,93	0,15	0,40	0,17	-0,60	0,36	-0,58	-2,17	1,70	0,27	-0,80	0,17
2016	-0,17	0,49	1,21	0,38	0,03	0,05	0,74	0,19	-0,07	0,27	-0,08	0,21	3,28
2017	-0,07	0,22	-0,21	0,05	-0,03	-0,14	0,10	-0,05	-0,06	0,30	-0,38	0,09	-0,19
2018	-0,20	-0,24	-0,43	0,65	-1,35	-0,44	1,28	0,42	-0,04	-1,03			

Only performances over full periods are shown.

## PORTFOLIO

### Actuarial data (weighted averages)

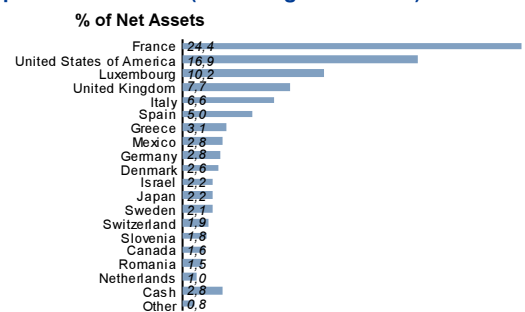
Yield (1)	Spread	Maturity (2)	Duration	Mod. Dur.	Rating (2/3)	Interest
3,80	346,14	2,20	3,09	3,02	BB-	4,52

(1) The lowest of the two actuarial rates (call and maturity)

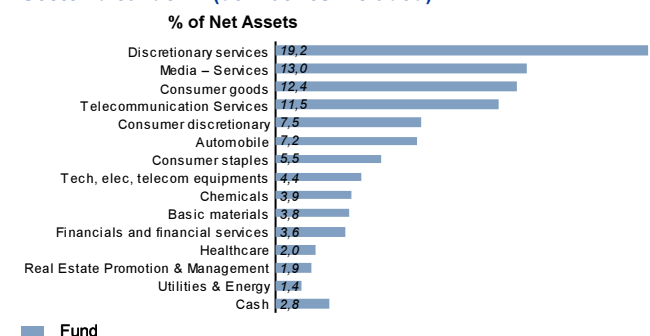
(2) Analyses calculated excluding derivatives on the scope of interest rate instruments

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

### Geographical breakdown (excluding derivatives)



### Sector breakdown (derivatives included)





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## STATISTICS & PERFORMANCE ANALYSIS

### Statistics (Rolling periods)

	Volatility		Sharpe ratio	
	52 weeks	3 years	52 weeks	3 years
Share (C)	2,20	1,78	-0,63	0,39

### Performance Analysis

	Since 01/06/2012 (month. perf.)
	Share (C)
% of positive performances	62,34
Minimum return	-2,17
Maximum return	1,70
Payback period	163 day(s)

## PORTFOLIO DETAILS

### Table of maturities to next call ranked by ratings

Rating	< 3 months	3 - 6 months	6 months - 1 year	1 - 3 years	3 - 5 years	5 - 7 years	Total
AAA	2,82%						2,82%
BB	3,23%		2,01%	16,95%	5,90%	17,02%	45,11%
B	4,77%	0,53%	17,16%	21,41%	1,61%	0,59%	46,06%
CCC	2,64%			3,37%			6,01%
Total	13,46%	0,53%	19,16%	41,72%	7,51%	17,61%	100,00%

\* Carried out after breaking down the underlying Edmond de Rothschild group funds.  
Rating source: Second best (S&P, Moody's, Fitch) long term rating

### Main transactions

(from 28/09/2018 to 31/10/2018)

	Purchases (EUR)	Sell (EUR)
CRTING 3 03/15/24 (HIPERCOR SA)	1 006 317,33	
INTRUM 0 07/15/22 (Intrum Justitia AB)	885 561,11	
NEXICP 4 1/8 11/01/23 (Nexi Capital SpA)	601 679,96	
WEPAHY 3 3/4 05/15/24 (WEPA Hygieneprodukte GmbH)		-406 435,10
VKFP 6 3/8 10/15/23 (Vallourec SA)		-375 938,77
NEXFP 3 3/4 08/08/23 (Nexans SA)		-208 850,20

### 5 main issuers (ex. money market)

5 Main issuers (Total number of issuers: 81 - Number of holdings: 85)

	% of Net Assets
DKT FINANCE APS	2,6
ARDAGH PACKAGING HOLDINGS LTD	2,4
TEVA PHARMACEUTICAL INDUSTRIES	2,2
SOFTBANK CORP	2,2
WMG ACQUISITION CORP	2,1
Total	11,5

### Bond Instruments breakdown

	Cash	Derivatives	Fixed rates	Mutual funds	Floating Rates
EUR	2,63%		90,85%	0,13%	4,82%
GBP	0,06%	-0,01%	1,52%		
Total	2,69%	-0,01%	92,37%	0,13%	4,82%

## FUND CHARACTERISTICS

### Share characteristics

	C Share	D Share
Net asset value (EUR) :	1 179,11	978,45
Share issue date :	01/06/2012	01/06/2012
ISIN code :	FR0011252360	FR0011255157
Bloomberg code :	EDMI18C FP	EDMI18D FP
Lipper code :	68156012	68156013
Telekurs code :	18653532	18653507
Distribution :	Accumulation	Distribution
Latest coupon :	-	32,07 on the 07/02/2018

### Fund Managers

Raphaël CHEMLA, Alexis FORET

### Fund characteristics

<b>Legal status</b>	
Fund inception date : 01/06/2012	AMF classification : -
Fund domicile : France	Recommended investment period : Until December 31, 2024
<b>Administrative Information</b>	
Management Company : Edmond de Rothschild Asset Management (France)	Valuation : Daily
Administration : CACEIS Fund Admin.	Decimalised : 3 decimals
Depository : Edmond de Rothschild (France)	Initial minimum subscription : 1 Share
Subscription & Redemption conditions : Daily before 11.00 am C.E.T. on day's net asset value	
<b>Management Subscription/Redemption fees</b>	
Actual management fees : 0,8%	Subscription fees : 4% maximum
Performance fees : no	Redemption fees : 1% maximum



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## SUBSCRIBERS TYPE

Marketing country	Investors involved in marketing
Austria Belgium Switzerland Germany Spain France	All
Italy	Restricted

## PRODUCT RISKS AND DISCLAIMERS

The information used to value the assets of this UCITS is taken primarily from various pricing sources available on the market and/or from information provided by brokers, prime brokers or external custodians, administrative agents/managers of target funds or other products, specialists duly authorised for this purpose by this UCITS and/or its management company (where applicable), and/or directly from this UCITS and/or its management company (where applicable). This UCITS does not provide a benchmark index to compare its management.

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

- Discretionary management risk
- Interest rate risk
- Capital risk
- Liquidity risk
- Risk linked to financial and counterparty contracts
- Credit risk
- Risk linked to derivatives
- Credit risk linked to investment in speculative securities
- Legal risk
- Risk linked to investing in emerging markets

Details on the target subscribers provisions and on applicable Risks of this UCITS is found in the full prospectus or in the partial prospectus for those subfunds authorised for distribution in Switzerland of this UCITS. The regulation, the full prospectus, the partial prospectus for subfunds authorised for distribution in Switzerland, the key investor information document (where applicable) and the annual, semi-annual and quarterly reports are available upon request from Edmond de Rothschild Asset Management (France), its distributors and/or representatives and/or the following correspondents:

<i>Austria</i>	: <i>Société Générale Vienna Branch</i>	<i>Prinz-Eugen-Strasse 8-10/5/TOP 11</i>	<i>A-1040 Vienna</i>	<i>Austria</i>
<i>Belgium</i>	: <i>Caceis Belgium</i>	<i>Avenue du Port 86 C b320</i>	<i>B-1000 Bruxelles</i>	<i>Belgium</i>
<i>France</i>	: <i>Edmond de Rothschild Asset Management (France)</i>	<i>47, Rue du Faubourg St-Honoré</i>	<i>Cedex 08 Paris 75401</i>	<i>France</i>
<i>Germany</i>	: <i>CACEIS Bank, Deutschland GmbH</i>	<i>Lilienthalallee 34 - 36D</i>	<i>80939 Munich</i>	<i>Germany</i>
<i>Italy</i>	: <i>BNP Paribas Securities Services, Succursale di Milano</i>	<i>Via Ansperto 5</i>	<i>Milan</i>	<i>Italy</i>
<i>Italy</i>	: <i>State Street Bank GmbH, Succursale Italia</i>	<i>Via Ferrante Aporti 10</i>	<i>Milan</i>	<i>Italy</i>
<i>Italy</i>	: <i>Société Générale Securities Services S.p.A.</i>	<i>Via Benigno Crespi 19A</i>	<i>MAC2 Milan</i>	<i>Italy</i>
<i>Spain</i>	: <i>Edmond de Rothschild Asset Management (France) - Sucursal en España</i>	<i>Pº de la Castellana 55</i>	<i>28046 Madrid</i>	<i>Spain</i>
<i>Switzerland (Legal Representative)</i>	: <i>Edmond de Rothschild Asset Management (Suisse) S.A.</i>	<i>8, rue de l'Arquebuse</i>	<i>1204 Genève</i>	<i>Switzerland</i>
<i>Switzerland (Paying agent)</i>	: <i>Edmond de Rothschild (Suisse) S.A.</i>	<i>18, rue de Hesse</i>	<i>1204 Genève</i>	<i>Switzerland</i>

and/or on the following website (<http://funds.edram.com>), in order that investors analyse the risks and build their own opinion, independently from any entity of the Edmond de Rothschild Group. Investors are invited to request the opinion of their Legal Counsel where necessary, to ensure the suitability of the investment with regards to their financial situation, experience and investment objectives.

In Belgium, periodic reporting are available from the financial provider CACEIS Belgium. The Net Asset Value is available on the Belgian Asset Managers' Association, BEAMA site ([www.beama.be](http://www.beama.be)).

The numerical data, comments and analyses in this presentation reflect the opinion of Edmond de Rothschild Asset Management (France) with respect to the markets and their trends, regulation and tax issues, on the basis of its own expertise, economic analyses and information available as of today. The figures mentioned refer to past years. Past performance and ratings are not indicative of future performance and ratings. Past performance can be misleading. The value of units or shares of funds and the returns are subject to fluctuation, and investors may not get back the full amount invested. Performance data is calculated on a dividend reinvested basis. These performances do not take into account the fees and expenses collected on the issue or redemption of shares/units, or taxes levied in the client's country of residence.

Figures mentioned in this document may be denominated in a currency other than that of the country in which the investor resides. As a result, potential gains may be increased or decreased by fluctuations in foreign exchange rates

The information in this document regarding this UCITS is not intended to replace the information in the full prospectus, or the partial prospectus if the cited subfund is authorised for distribution in Switzerland, the annual and semi-annual report. Prior to making any investment decision, the investor therefore has an obligation to read it.

This document is only for information and does not represent an offer to buy or a solicitation to sell; the basis of any contract or commitment; a financial, legal or tax advice. No part of this document should be interpreted as investment advice. Regulations related to fund marketing may vary from one country to the next. This UCITS may be marketed in a jurisdiction other than that of its country of registration, in particular under the private placement regime for qualified investors, when the law of that other jurisdiction authorizes it. If you have the slightest doubt about marketing requirements for this UCITS, we invite you to contact your usual adviser.

No UCITS can be offered or sold to persons, or in countries or jurisdictions where such offer or sale would be unlawful.

**UNITED STATES:** The fund and its shares are not registered under the Securities Act of 1933 or any other US regulation. Its shares may not be offered, sold, transferred or delivered for the benefit of, or on behalf, of a US National, as defined by US law.

Belgian investors, if subscribing to a UCITS under French law, must be supplied with a declaration of dividends and interest received by the fund, and which must be included in their tax return.

To enable the investor to calculate this amount, we have developed an app that allows him/her to obtain the result required for the tax return, which is available on the [www.edram.be](http://www.edram.be) website. This app does not constitute tax advice and does not exempt investors from performing the checks and verifications required as taxpayers. The result is obtained from the data the investor enters into this app. The Edmond de Rothschild group cannot be held responsible for any errors or omissions on the investor's part.

(2) In connection with Article 19 bis of the Belgian Income Tax Code 1992, Belgian investors will be required, when redeeming units (mutual funds) or shares (SICAVs), to pay a withholding tax of 27% on the interest received, on the capital gains or losses and on the returns from assets invested in debt securities. This withholding tax only applies to UCIs that hold more than 27% of their assets in debt securities.

(3) The Belgian investor shall not bear any fees as part of the redemption of the Fund's units.

Any fees owed to the Belgian tax authorities are for information only and are not intended to be a substitute for tax advice. The tax treatment depends on the individual situation of each customer and does not absolve the Belgian investors of performing the checks and verifications necessary of a tax professional.



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## DEFINITIONS

The **PERFORMANCE**, often expressed as a % makes it possible to measure the capital gain or loss of an investment over a period (10% = gain of 10 units for every 100 invested). Performance can also be expressed per annum. This is equivalent to extrapolating the performance of a fund over any period to a one-year period. In either case, a loss is indicated by a negative percentage and a gain by a positive percentage.

The **VOLATILITY** of a security is the difference between performance and average performance and therefore makes it possible to gauge the consistency of performance obtained. It comprises a measure of risk. If this is zero, the individual performances are identical. The higher it is, the greater the difference between individual performances.

The **TRACKING ERROR** shows the volatility of a fund's relative performance against that of its benchmark. It shows the difference between performances and their average and so makes it possible to gauge the consistency of relative performance. The lower the tracking error, the closer the fund's performance is to that of its benchmark.

The **INFORMATION RATIO** represents the relative performance obtained by the fund manager for each agreed volatility point in comparison with the benchmark. To some degree, it is this measurement that makes it possible to establish whether the additional risk taken by the fund manager is, in comparison with the benchmark, rewarding or otherwise.

The **ALPHA** corresponds to the fund's average performance. More specifically, it measures the fund managers' added value while cancelling out market influence, which cannot be controlled. This measure is expressed as a percentage.

The **SHARPE RATIO** shows the fund's outperformance against a zero-risk interest rate (the Eonia, in this case), adjusted for fund volatility.

The **BETA** measures the market's influence (represented by a benchmark) on the performance of a fund. It shows the average variation of the fund's NAV, for each variation of 1% in the benchmark. If beta is 0.8, this means that for each 1% movement in the benchmark, the fund moves 0.8%.

The **CORRELATION COEFFICIENT** defines the direction and degree of dependence between two variables. It ranges from -1 to +1. Positive correlation means that the benchmark and the fund move in the same direction, negative correlation means that they move in opposite directions. When correlation is close to zero, the benchmark's influence on the fund is very low.

The **R2** or the **DETERMINATION COEFFICIENT** measures to what extent variations in fund performance are explained by variations in the benchmark. Mathematically, it is the square of the correlation coefficient. It always has a value of between 0 and 1.

The **GAIN FREQUENCY** represents the percentage of positive returns for a defined frequency.

The **MAX GAIN** represents the maximum return recorded from a series of periodic return payments.

The **MINIMUM RETURN** is the maximum loss recorded over a series of periodic returns.

The **PAYBACK PERIOD** measures the time required to recover the maximum drawdown. It is often expressed in days or months. Payback begins with the return paid following the maximum loss.

**DURATION**: the duration of a bond corresponds to the period after which its profitability is not affected by interest rate fluctuations. The duration appears as an average lifespan updated with all flows (interest and capital) and expressed in years.

**SENSITIVITY**: Bond sensitivity measures the percentage change in a bond's value arising from any downward movement in the interest rates. Mathematically, it is equal to the absolute value of the derivative of the bond's value with regards to the interest rate, divided by the value of the bond itself. It is expressed as a percentage.

**SPREAD**: the actuarial margin, or spread, of a bond (or of a loan) is the difference between the actuarial rate of return of the bond and that of a zero-risk loan with an identical duration. Naturally, the better the issuer is rated, the lower the spread

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

**ACTUARIAL RATE**: by convention, an actuarial rate is a rate of an investment which has a duration of one year and for which interest is received or paid after one year. Since there are so many rates and interest payment terms, it is difficult to compare them directly. They are therefore converted using a common basis, the actuarial rate, in order to make direct comparisons.

**MATURITY**: A bond's final or call maturity corresponds to the period remaining until the bond may be redeemed or until its next call date. It is therefore equal to the length of time between the date upon which the calculation is performed and the issue's redemption date or next call date, and is often expressed in numbers of years.

**DELTA OF A CONVERTIBLE BOND ISSUE**: the delta of a convertible issue measures the sensitivity of the price of the convertible bond to a change in the conversion ratio [(equity price \* conversion ratio)/nominal amount]. Its value is always between 0 and 100.

**EQUITY SENSITIVITY FOR CONVERTIBLE BOND ISSUES**: The equity sensitivity of a convertible bond issue measures the sensitivity of the convertible bond's value to a 1% fluctuation in the value of the (underlying) share. It will always be between 0% to 100%. The closer the equity sensitivity is to 100%, the closer the fluctuation in the convertible bond's price will match that of the share price and vice versa. Accordingly, when equity sensitivity is in the range of 80 to 100, the convertible bond is considered to perform like a share; between 20 to 80, the convertible bond is said to be mixed and is influenced by both the share price and interest rates; between 0 and 20, the convertible bond performs like a bond.

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

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

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

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

**OVERLAY MANAGEMENT** is an approach based on the hedging of existing risks (equities, interest rate, currency, etc.) in a portfolio.

**UCITS** means "Undertaking for Collective Investment in Transferable Securities". This category of financial products includes the Mutual Fund (FCP) and the Société d'Investissement à Capital Variable (SICAV).

**UCI** means "Undertaking for Collective Investment". This category of financial products includes the Mutual Fund (FCP) and the Société d'Investissement à Capital Variable (SICAV). There are two categories of UCI, namely UCITS "Undertakings for Collective Investment in Transferable Securities" and AIFs "Alternative Investment Funds".

**SICAV** (Société d'Investissement à Capital Variable) means open-ended investment company with variable capital.

**FUND** means "Mutual Fund".



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## RISK SCALE

### Risk and reward profile



1	2	3	4	5	6	7
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Synthetic risk/return indicator ranks the fund on a scale from 1 to 7 (1 being the less risky ranking, 7 being the most risky ranking). This rating system is based on average fluctuations in the fund's net asset value over the past five years, i.e. the scale of changes in the index securities, both up and down. If the net asset value is less than 5 years old, the rating is determined by other regulatory calculation methods. Historic data such as those used to calculate the synthetic indicator may not be a reliable indication of the future risk profile. The current category is neither a guarantee nor an objective. Category 1 does not signify a risk free investment. For more details on the methodology of the ranking, please consult the key investor information document (KIID) of the fund.

This fund is rated in category 2, in accordance with the type of shares and geographical zones presented in the "objectives and investment policy" section.

## HISTORICAL DATA

### Coupons distributed in Euro

	Date	Amount
Coupon	07/02/2018	32,07
Coupon	08/02/2017	36,93
Coupon	10/02/2016	44,42
Coupon	12/02/2015	42,71
Coupon	12/02/2014	41,88