

## EdR Fund Bond Allocation

As of : 10-May-24  
Assets (euros) : 1 572 011 427 €



EDMOND  
DE ROTHSCHILD

|                   |       |
|-------------------|-------|
| Modified duration | 6,18  |
| Spread Duration   | 3,25  |
| Yield *           | 5,40% |
| Average Rating *  | BBB-  |

| as of 07/05/2024     | EdR Fund Bond Allocation (I share) | Reference Index <sup>4</sup> |
|----------------------|------------------------------------|------------------------------|
| MtD <sup>1</sup>     | +1,13%                             | +0,97%                       |
| YtD <sup>2</sup>     | -0,88%                             | -0,26%                       |
| 1 Year               | +6,56%                             | +4,92%                       |
| 3 Years <sup>3</sup> | -1,07%                             | -3,47%                       |
| 5 Years <sup>3</sup> | +0,78%                             | -1,16%                       |

Past performance and past volatility are not reliable indicators for future performance and future volatility.

1: Month to Date - 2: Year to Date - 3: Annualized performance - 4: 50% Barclays EuroAggregate Treasury

TR + 50% Barclays EuroAggregate Corporate TR

The bullish impulse for rates market stabilised this week. After a conjunction of "dovish" Fed, lower US ISM and lower than expected job reports in previous weeks, not much data were seen as important in the US or in Europe this week.

However, two central banks were interesting to watch Australia and the UK. Indeed, both countries saw decent growth figures recently and higher inflation in Q1. Both central banks revised their inflation forecast higher for 2024 but did not signal significant change in the path of interest rates going forward. BOE Governor Bailey even indicated that rates could fall faster than market expectations in the UK.

After a sizeable rally in rates over the last few weeks, market is now on watch for next week all-important April US CPI on Wednesday. Were higher Q1 releases more related to specific issues (motor insurance, medical costs ...) that could be one-offs? Or can current interest rates in the US be not so "restrictive" after all if core services inflation continues to hold at "high" levels?

This week, rates moved slightly lower with US 10yr down 5bps and Germany 10yr down 2bps. Risk assets are up 1,7% for the S&P and 3.3% for the Eurostoxx50. Credit spreads are flat for IG and HY. BTP-bund spread is flat at 129bps. Inflation breakevens are also flat over the week.

### Allocation by strategy

|                          | Investment | CDS*  | TRS* | Exposure |
|--------------------------|------------|-------|------|----------|
| Cash / short term papers | 6,5%       |       |      | 6,5%     |
| Government Bonds         | 10,3%      |       |      | 10,3%    |
| Sub Fin                  | 12,8%      |       |      | 12,8%    |
| High Yield Corp          | 25,7%      | -0,1% |      | 25,6%    |
| Corp Investment Grade    | 28,2%      |       |      | 28,2%    |
| Inflation Linked Bonds   |            |       |      |          |
| Emerging Sovereigns      | 11,6%      | -1,4% |      | 10,2%    |
| Emerging Corp            | 3,9%       |       |      | 3,9%     |
| Convertibles bonds       | 1,0%       |       |      | 1,0%     |
| Macro hedge              |            | -2,5% |      | -2,5%    |

(\*) : CDS : Credit Default Swaps, TRS : Total Return Swaps

### Government Bonds Strategy: Main positions

|             | Weight <sup>1</sup> | Exposure <sup>2</sup> |          |        | Exposure <sup>2</sup> |
|-------------|---------------------|-----------------------|----------|--------|-----------------------|
|             |                     | 1-7 yr                | Sup 7 yr | Expo   |                       |
| EMU         | 6,3%                | 3,87%                 | 2,4%     | 6,3%   |                       |
| France      | 1,6%                |                       | 10,2%    | 10,2%  | 0,6%                  |
| New Zealand | 0,7%                |                       |          |        | 0,7%                  |
| Netherlands | 0,6%                |                       | 0,6%     | 0,6%   |                       |
| Croatia     | 0,4%                |                       | 0,4%     | 0,4%   |                       |
| Portugal    | 0,4%                | 0,35%                 |          | 0,4%   |                       |
| Spain       | 0,2%                | 0,24%                 |          | 0,2%   |                       |
| Germany     | 0,0%                | -37,59%               | 7,3%     | -30,3% |                       |

1 - excluding derivatives

2 - including derivatives

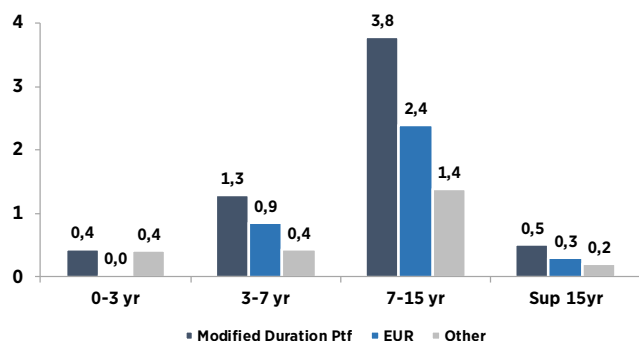
### Main movements

In this context, here are the changes that we have made in EdRF Bond Allocation:

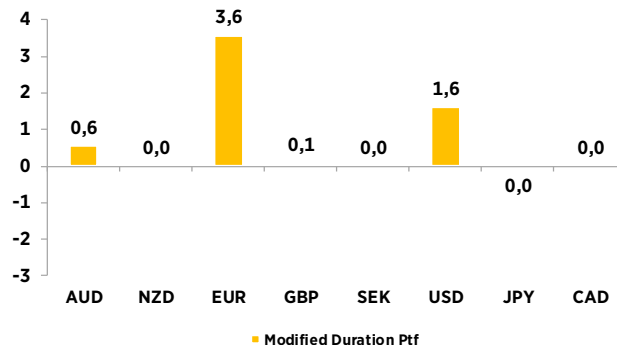
- Duration is still around 6 years.
- We increased US duration and lowered EUR rates.
- We added AUD rates in anticipation of a less hawkish RBA than expected.

### Modified duration allocation :

#### By maturity :



#### By currency exposure (FX hedged):



\*: Rating source: Second best (S&P, Moody's, Fitch) long term rating \*: Yield: Yield to Maturity (excluding derivatives)

Edmond de Rothschild Fund Bond Allocation is a sub fund of the Luxembourg-regulated SICAV which is approved by the CSSF and approved for marketing in France, Luxembourg,

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### Significants Risks

The subfund is classified in category 3 (A, B and I shares) in line with the nature of securities and geographical zones in the "objectives and investment policy" section of the key investor information document (KIID).

**Capital loss risk:** as the subfund does not have any guarantee or protection, the capital initially invested might not be restituted in full even if subscribers hold their shares over the recommended investment horizon.

**Credit risk:** the main risk is issuer payment default on interest payments and/or on reimbursement of the capital. Credit risk also concerns issuer downgrades. Subscribers are warned that the subfund's net asset value could fall should a total loss be incurred on a transaction due to counterparty default. Any private company debt held directly by the portfolio or through mutual subfunds exposes the subfund to changes in the issuing company's credit rating.

**Credit risk from investing in speculative securities:** the subfund may invest in government and corporate rated as non investment grade by a rating agency (i.e. rated below BBB- by Standards and Poor's or an equivalent rating from another independent agency) or considered as equivalent by our investment company. These issues are so-called speculative debt securities with a higher risk of issuer default. The subfund must be viewed as partly speculative and concerns in particular investors who are aware of the risks inherent in these securities. Consequently, investing in high yield securities (speculative securities which have a higher default risk) may entail a bigger fall in the subfund's net asset value.

**Interest rate risk:** exposure to bond instruments, whether debt securities or money market instruments, means the subfund is sensitive to interest rate fluctuations. Interest rate risk might entail a capital loss from yield curve movements and therefore a fall in the subfund's net asset value.

**Risks from emerging market investments:** the subfund may be exposed to emerging markets. In addition to stock-specific risks, there is a risk from external factors, especially on these markets. Investors should also note that operating conditions and supervisory standards on these markets may differ from those on major international stock markets. As a result, holding these securities may increase the portfolio's risk. As market falls in emerging markets may be more pronounced and faster than in developed countries, the subfund's NAV may also suffer larger and faster declines.

**Risk from participation in financial contracts and counterparty risk:** the use of financial contracts may mean a sharper and faster fall in the subfund's net asset value than that of the markets in which the subfund is invested. Counterparty risk stems from the subfund's use of OTC financial contracts and/or temporary acquisitions and disposals of securities. These transactions may expose the subfund to counterparty default risk and therefore a fall in the subfund's net asset value.

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- Switzerland (Legal Representative and paying agent) : Edmond de Rothschild (Suisse) S.A. 18, rue de Hesse 1204 Genève Switzerland

The EdR Fund Bond Allocation is registered with the CNMV under number 229.

#### GLOBAL DISTRIBUTOR

##### EDMOND DE ROTHSCHILD ASSET MANAGEMENT (FRANCE)

47, rue du Faubourg Saint-Honoré, 75401 Paris Cedex 08  
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AMF Registration No. GP 04000015 - 332.652.536 R.C.S. Paris

#### MANAGEMENT COMPANY

##### EDMOND DE ROTHSCHILD ASSET MANAGEMENT (LUXEMBOURG)

20, Boulevard Emmanuel Servais, L - 2535 Luxembourg

#### SUB INVESTMENT MANAGER

##### EDMOND DE ROTHSCHILD ASSET MANAGEMENT (FRANCE)

47, rue du Faubourg Saint-Honoré, 75401 Paris Cedex 08  
Third-party Distribution - Tel. +33 (0)1 40 17 23 09  
Institutionals Europe - Tel. +33 (0)1 40 17 23 44  
International Development - Tel. +33 (0)1 40 17 27 04