



## EMERGING SOVEREIGN (the "Sub-Fund"), a Sub-Fund of EDMOND DE ROTHSCHILD FUND (the "Fund")

Share Class CR USD (the "Class") - LU1897614225

Management Company : Edmond de Rothschild Asset Management (Luxembourg)

### Objectives and Investment Policy

**Investment objective:** The Sub-Fund's investment objective is to outperform its benchmark, over an investment horizon of three years, using discretionary management on all bond markets from emerging countries. The Sub-Fund is actively managed.

**Benchmark index:** JP Morgan EMBI Global Diversified ex CCC Index

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's investment strategy consists in constructing a portfolio that represents the Investment Manager's expectations on all bond markets and currencies from emerging countries. Geographic diversification includes the countries of Latin America, Africa, the Middle East, Asia, and Central and Eastern Europe.

The objective of the Sub-Fund is to invest in bonds and Money Market Instruments, for minimum 80% and up to 110% of its net assets.

At least 60% of the Sub-Fund's net assets are permanently invested in emerging debt markets. However, depending on markets circumstances, the Sub-fund may hedge all or part of its exposure to emerging debt markets through financial derivatives. Up to 100% of its net assets, the Sub-Fund may be exposed, directly by investing in securities or indirectly through financial derivatives or Investment Funds, to emerging debt markets of all maturity types, across credit ratings and from all types of issuers (sovereign or corporate), issued in euros and US dollars ("hard currencies"), but also in local currencies.

The Sub-Fund may also invest up to 100% of its net assets in high yield bonds with a rating higher than CCC+ (i.e. with a rating lower than BBB- but higher than CCC+ according to Standard & Poor's, or an equivalent rating attributed by another independent agency, or a deemed equivalent internal rating attributed by the Investment Manager for non-rated debt securities).

In the event of a rating downgrade of an issue below the limit of B-, the Investment Manager will act according to his expectations and in the interest of investors.

The Sub-Fund will not invest in Distressed Securities.

According to market opportunities, positions on credit derivatives may complete the Sub-Fund's portfolio.

The portion of the assets not exposed to Emerging Markets may be invested in Money Market Instruments in order to manage the Sub-Fund's cash or to limit exposure when the outlook for Emerging Markets is deemed as poor.

The Sub-Fund may invest directly, for exposure or hedging purposes, in currencies.

This exposure to currencies of Emerging Countries forms an integral part of the Sub-Fund's strategy, and the currency risk may account for 100% of its net assets.

The Sub-Fund will not invest directly in equities. However, the Sub-Fund may be indirectly exposed to equity markets through its potential exposure to convertible bonds, subject to a maximum of 10% of its net assets, or for hedging purposes through index futures contracts and in exceptional cases resulting from the restructuring of securities already held in the portfolio. Up to 20% of the Sub-Fund's net assets may be invested in Contingent Convertible Bonds.

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: Futures options - Credit options, Interest rate options - Currency options, Forward rate agreements - Currency swaps, Interest rate futures - Inflation swaps, Interest rates swaps - Currency forward, Single-name Credit Default Swap, Swaptions - Index Credit Default Swap, Bond ETF options - Total Return Swaps, Bond futures.

To this end, the Sub-Fund may take positions to hedge the portfolio against certain risks (interest rate, currency, credit) or to seek exposure to risks (interest rate, currency, credit) or to components of these risks.

The Sub-Fund's Modified Duration to interest rates will fluctuate between 0 and 15.

The Sub-Fund may invest up to 10% of its net assets in units or shares of UCITS or other Investment Funds.

In order to meet its investment objective, the Sub-Fund may invest up to 100% of its net assets in eligible Transferable Securities which contain an embedded derivative, the underlying assets of which are in line with the Law of 17 December 2010. In particular, the Sub-Fund may invest in credit linked notes, warrants, EMTNs and, subject to a limit of 10% of the net assets, Convertible Bonds.

The Sub-Fund will enter into TRS for such percentage of its net assets as set out in the table in section D.(9) of Chapter 5. "Investment Restrictions". The Sub-Fund will not use SFT.

The level of leverages is not expected to be in excess of 500% of the net asset value of the Sub-Fund.

**The recommended minimum investment period is 3 years.**

**Frequency of share buying or selling:** Every Luxembourg and France bank business day except for Good Friday, 24 December (Christmas Eve) and the days on which the French markets are closed (official calendar of Euronext Paris S.A.) for orders received by the transfer agent no later than 12:30 p.m. (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 4, 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	1.00%
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	0.86%
Charges taken from the Fund under certain specific conditions	
<b>Performance fee</b> 15 % per year of the outperformance of the Class compared to the benchmark index JP Morgan EMBI Global Diversified ex CCC Index	

## 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 USD, net dividends reinvested.

EMERGING SOVEREIGN was launched on 21/12/2018

Share class creation date: 05/2021

Benchmark: JP Morgan EMBI Global Diversified ex CCC Index

## 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.

DISCLAIMER : THIS FUND MAY INVEST 100% IN FIXED-INCOME SECURITIES OF LOW CREDIT QUALITY, WHICH THEREFORE PRESENTS A VERY HIGH CREDIT RISK.

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 20/12/2021.