



Key Information Document (KID)

Purpose

This document provides you with key information about this investment Product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this Product and to help you compare it with other products.

Product

EdR SICAV - Corporate Hybrid Bonds

a sub-fund of Edmond de Rothschild SICAV

Manufacturer of the PRIIP (Packaged Retail Investment and Insurance-based Product): Edmond de Rothschild Asset Management (France), part of the Edmond de Rothschild Group – Registered office: 47, rue du Faubourg Saint-Honoré, 75401 Paris Cedex 08, France

NC EUR ISIN: FR00140058Z6

PRIIP manufacturer's website: www.edmond-de-rothschild.com

For further information, call +33 140 172 525.

The Autorité des marchés financiers (AMF) is responsible for supervising Edmond de Rothschild Asset Management (France) in relation to this Key Information Document.

Edmond de Rothschild Asset Management (France) is authorised to operate in France under the no. GP 04000015 and is regulated by the Autorité des Marchés Financiers (AMF).

Key Information Document production date: 05/07/2024

Warning: you are about to purchase a Product that is not simple and may be difficult to understand.

What is this Product?

Type

The Product is a sub-fund of a French SICAV mutual fund, which is UCITS governed by European Directive 2009/65/EC.

Term

The term of the Product is 99 years. This Product has no maturity date. The Management Company reserves the right to dissolve the Product unilaterally. The Product may also be dissolved in the event of a merger, a total redemption of shares, or if the Product's net assets fall below than the regulatory minimum amount. The assets and liabilities of the various sub-funds are segregated. As such, any shares you hold in this sub-fund may not be exchanged for shares in another sub-fund in the EdR SICAV mutual fund.

Objectives

The aim of the Product is to outperform, over the recommended investment period, the ICE BofA Global Hybrid Non-Financial Corporate 5% Constrained Index, hedged in EUR, via a portfolio invested mainly in corporate hybrid debt securities from all geographical areas. Non-financial companies issue these bonds with the following characteristics: Subordinated, and perpetual maturity or maturity of more than 50 years on issue. The Product is managed actively, which means that the Manager makes investment decisions in line with the Product's investment policy with a view to achieving the Product's objectives. This active-management process entails taking decisions regarding the selection of assets, regional allocations, sectoral views and overall market exposure. The Manager is in no way limited by the composition of the benchmark index in the positioning of the portfolio, and the Product may not hold all the components of the benchmark index, or even any of the components in question at all. Deviation from the benchmark index may be total or significant but, occasionally, may also be minor.

Benchmark index: ICE BofA Global Hybrid Non-Financial Corporate 5% Constrained Index, hedged in EUR

Investment policy: In order to achieve the management objective, the manager will invest in bonds on a discretionary basis, with between 50% and 100% of net assets exposed to hybrid bonds, issued by international, public or private, non-financial companies. Up to 15% of net assets may be invested in bonds issued by financial institutions. The ESG investment universe is composed of securities in the Product's benchmark index. The management company may select securities from outside the Product's benchmark index. However, it will ensure that the selected benchmark index is a relevant basis for comparison of the Product's ESG rating.

The Product may invest in the following bonds:

- Between 0% and 15% of net assets in financial sector bonds; both senior securities and dated or undated securities of any subordination ranking (Tier 1, Upper Tier 2 or Lower Tier 2), including hybrid securities (such as AT1);
- Between 0% and 20% of net assets in emerging-market bonds denominated in EUR, GBP, CHF, USD or JPY;
- Between 0% and 10% of net assets in speculative high-yield bonds, including hybrid bonds;
- Between 0% and 100% of net assets in short-term negotiable securities and euro commercial papers.

As the Product may invest in bonds of any subordination rank, there is a possibility that these instruments may be converted into shares at the initiative of the regulator or in the event, for example, of a fall in the solvency ratio below a threshold value that is generally contractually defined. In the event that bonds held in the portfolio are converted into shares, up to 10% of the Product's net assets may be temporarily invested in equities, to be sold at the earliest opportunity in the best interest of the holders. In order to hedge or expose its assets and/or achieve its management objective, without seeking overexposure, the Product may invest up to 100% of its net assets in financial contracts traded on regulated markets (futures, interest rate futures, currency futures, listed options), organised markets or over-the-counter markets (options, swaps etc.). In this situation, the manager may obtain exposure to, or synthetic hedging of, indices, industry sectors or geographic regions. In this respect, the Product may take a position with a view to hedging the portfolio against certain risks (interest rate, credit, currency) or to exposing itself to interest rate and credit risks. With this in mind, the manager may adopt strategies chiefly aimed at anticipating or protecting the Product against the risk of default by one or more issuers, or exposing the portfolio to the credit risks of one or more issuers. These strategies will be implemented by purchasing or selling protection via credit default swap, credit derivatives, on a single benchmark entity or on indices (iTraxx or CDX). The Product may invest in securities with embedded derivatives according to the same method and with the same objectives as those outlined above for derivatives. The Manager will also implement a process for managing the Product's sensitivity to interest rates, which may vary between 0 and 10. During periods when the investment strategy may lead the management team to reduce the Product's exposure to bonds and/or other debt instruments, in order to achieve the management objective, up to 100% of the Product may be invested in short-term negotiable securities and euro commercial paper. These financial instruments may also be used on an ancillary basis in order to invest in liquid assets.

DISCLAIMER: THIS PRODUCT MAY INVEST 100% OF ITS ASSETS IN BONDS WITH A LOW CREDIT RATING, IN WHICH CASE THE CREDIT RISK WILL BE VERY HIGH.

Allocation of income: Accumulation

Allocation of net realised gains: Accumulation

Intended Retail Investor

NC EUR shares: Legal entities and institutional investors dealing on their own account or on behalf of third parties, provided they are willing to accept the risk of capital loss.

This Product may not be purchased by or benefit, either directly or indirectly, natural or legal persons residing or domiciled in the United States, citizens of the United States, or United States Persons.

Practical information

Custodian: Edmond de Rothschild (France)

You can request the redemption of your shares on any day of the week, except on public holidays and on the days on which French markets are closed (see the official Euronext Paris S.A. calendar), for orders received by the clearing house before 12:30 pm on the day before the net-asset valuation day.

The Product's prospectus, its latest annual report, and any subsequent interim reports (in French, and in English, if required) will be provided free of charge upon written request to Edmond de Rothschild Asset Management (France) 47, rue du Faubourg Saint-Honoré - 75401 Paris Cedex 08 - France; telephone: +33 140 172 525; email: contact-am-fr@edr.com.

Share prices and, where necessary, information on other share classes, as well as information on the Product's net asset value, performance scenarios and past performance, can be found on www.edmond-de-rothschild.com.

What are the risks and what could I get in return?

Risk Indicator



← Lower risk

Higher risk →



The summary risk indicator assumes that you will hold the Product until the maturity date of the recommended holding period (3 years). The actual risk can vary significantly if you opt to exit before the maturity date, and you may get back less.

The summary risk indicator is provided as a guide to the level of risk of this Product compared to other products. It shows how likely it is that this Product will incur losses due to market fluctuations, or our inability to pay you.

We have assigned this Product a risk rating of 2 out of 7, which means that it is a low-risk product. In other words, the potential losses on the Product's future performance are in the low range and, if market conditions were to deteriorate, our ability to pay is very unlikely to be affected.

Additionally, you will be exposed to the following risks (not taken into account in the summary risk indicator), namely:

Credit risk: The risk that an issuer of debt or money market securities cannot meet its obligations, or that its credit rating is downgraded. It also refers to the risk that an issuer defaults on repayment at maturity.

Liquidity risk: risk linked to the low level of liquidity on the underlying markets, which makes them sensitive to significant buy/sell trends.

Derivative risk: The use of derivatives may result in a more significant decline in the Product's net asset value than that in the markets where investments are made.

Counterparty risk: This is the risk that a market participant defaults, preventing them from honouring their commitments in respect of your portfolio.

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

As this Product does not include any protection against future market performance, you could end up losing some or all of your investment.

Pay particular attention to currency risk. If an investment Product is denominated in a currency other than the official currency of the State in which the Product is marketed, the final return will depend on the rate of exchange between the two currencies. This risk is not taken into account in the indicator shown above.

Performance scenarios

The figures shown include all the costs of the Product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What you will get from this Product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavourable, moderate, and favourable scenarios shown are illustrations using the Product's and/or the relevant the benchmark index's worst, average, and best performance over the last 10 years.

Markets could trend very differently in the future.

The stress scenario shows what you might get back in extreme market conditions.

Investment of EUR 10,000

Recommended holding period: 3 years		If you exit after 1 year	If you exit after 3 years (the recommended holding period)
Scenarios			
Minimum	There is no guaranteed minimum return. You could lose some or all of your investment.		
Stress	What you might get back after costs	EUR 6,540	EUR 7,490
	Average return each year	-34.6%	-9.2%
Unfavourable	What you might get back after costs	EUR 8,260	EUR 8,490
	Average return each year	-17.4%	-5.3%
Moderate	What you might get back after costs	EUR 10,160	EUR 10,930
	Average return each year	1.6%	3.0%
Favourable	What you might get back after costs	EUR 11,200	EUR 11,610
	Average return each year	12.0%	5.1%

This table shows different scenarios illustrating the amounts that you could get back over the recommended holding period of 3 years, assuming you invest EUR 10,000.

Unfavourable scenario: This scenario occurred for an investment made between September 2020 and September 2023.

Moderate scenario: This scenario occurred for an investment made between February 2017 and February 2020.

Favourable scenario: This scenario occurred for an investment made between September 2013 and August 2016.

What happens if Edmond de Rothschild Asset Management (France) is unable to pay out?

The Product is a separate co-ownership comprising financial instruments and deposits held by the portfolio management company. Should the latter become insolvent, the Product's assets that are held by the custodian will not be affected. Should the custodian become insolvent, the risk that the Product incurs financial losses will be mitigated due to the legal requirement for the custodian's asset to be held separately from those of the Product.

Investments in the Product are not themselves hedged or guaranteed by a national compensation mechanism. The resale of the Product's shares, and the Product's capital and income, are not guaranteed by the Product manufacturer.

What are the costs?

The person advising on or selling you this Product may charge you other costs. If so, this person will provide you with information about all of these costs and how they affect your investment over time.

Costs over time

The tables show the amounts that are deducted from your investment to cover different types of costs. These amounts depend on how much you invest, and on how long you hold the Product. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed that:

- In the first year, you would get back the amount you invested (0% annual return). For the other holding periods, the Product is expected to perform as shown in the moderate scenario.
- The investment is EUR 10,000.

Investment of EUR 10,000	If you exit after 1 year	If you exit after 3 years (the recommended holding period)
Total costs	EUR 125	EUR 415
Annual impact of costs *	1.3%	1.3%

(* This illustrates the extent to which the costs will reduce your return each year over the holding period. For example, it shows that if you exit at the end of the recommended holding period, your average annual return is projected to be 4.29% before costs, and 3.00% after costs.

We may share part of the costs with the person selling you the Product to cover the services they provide to you. If this is the case, they will inform you of the amount.

Composition of costs

With an investment of EUR 10,000 and an annual cost if you exit after 1 year.

One-off costs upon entry or exit		If you exit after 1 year
Entry costs	We do not charge an entry fee.	EUR 0
Exit costs	We do not charge an exit fee for this Product, but the person selling you the Product may do so.	EUR 0
Ongoing costs (taken each year)		
Management fees and other administrative or operating costs	0.70% of the value of your investment per year. This percentage is determined based on the actual costs incurred in the previous year.	EUR 70
Transaction costs	0.55% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the Product's underlying investments. The actual amount will vary depending on how much we buy and sell.	EUR 55
Incidental costs deducted under specific conditions		
Performance fees (and carried interest)	Performance fees do not apply for this Product.	EUR 0

The table above shows the annual impact of the different types of costs on the return you could obtain on your investment at the end of the recommended investment period.

The costs shown here do not include any additional costs that may be charged by your distributor or advisor, or any costs in connection with a package that the Product may be part of. If you invest in this Product as part of a life insurance or capitalisation contract, this document does not take into account the contract fees.

This table also explains what the different cost categories mean.

How long should I hold the Product, and can I take money out early?

Recommended holding period: 3 years

This Product is designed for short-term investments. You should be prepared to hold your investment in the Product for at least 3 years.

You can request the redemption of your shares on any day of the week, except on public holidays and on the days on which French markets are closed (see the official Euronext Paris S.A. calendar), for orders received by the clearing house before 12:30 pm on each net-asset valuation day.

A redemption cap mechanism (known as "gating") may be implemented by the Management Company. The way this works is described in the SICAV's Prospectus and Articles of Association.

How can I complain?

If you wish to make a complaint regarding the Product, the Product manufacturer or the person distributing or advising you about the Product, with a view to having a right recognised or a damage remedied, please send us a written request, describing the problem and the details of the complaint, by post or e-mail, to:

Edmond de Rothschild Asset Management (France), 47, rue du Faubourg Saint-Honoré, 75401 Paris Cedex 08, France.

E-mail: contact-am-fr@edr.com

Website: www.edmond-de-rothschild.com.

Other relevant information

Performance Scenarios: The latest performance scenarios are updated monthly at <https://funds.edram.com/>

There is not enough data to provide investors with any practical information on past performance.

When this Product is used as a unit-linked vehicle in a life insurance or capitalisation contract, additional information about the contract in question, such as the costs associated with the contract – which are not included in the costs mentioned in this document –, the person to contact in the event of a claim, and the procedures to follow if the insurance company fails, are provided in the contract's key information document, which must be given to you by your insurer or broker, or any other insurance intermediary, in compliance with their legal obligation.

Depending on your tax regime, any capital gains and income derived from your shareholdings in the UCI may be subject to taxation. We advise you to discuss this with the UCI marketer or your tax advisor.

Other Product information documents are available in French and can be obtained free of charge on request from the management company, Edmond de Rothschild Asset Management (France), Registered office: 47, rue du Faubourg Saint-Honoré, 75401 Paris Cedex 08, France - Website: www.edmond-de-rothschild.com. Telephone: +33 140 172 525; contact-am-fr@edr.com.

This Product promotes environmental or social characteristics, within the meaning of Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (known as the "SFDR Regulation").

This Key Information Document (KID) is updated at least once a year.