

# R-co Lux

*Société d'Investissement à Capital Variable  
organized under the laws of the Grand Duchy of Luxembourg*

## Prospectus

**JULY 2023**

"R-co Lux" (the "SICAV") is a Luxembourg *Société d'Investissement à Capital Variable* composed of several separate sub-funds (each, a "Fund" or "Sub-Fund").

The SICAV's objective is to provide investors access to a diversified set of investment expertise through a range of several separate Sub-Funds, each having its own investment objective and policy.

The SICAV qualifies as a UCITS under Directive 2009/65/EC of the European Parliament and of the Council of July 13, 2009 (the "UCITS Directive") and Part I of the Luxembourg law of December 17, 2010 on undertakings for collective investments, as amended (the "Law").

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## **IMPORTANT INFORMATION**

**SHARES OF EACH SUB-FUND ARE ONLY OFFERED FOR SALE IN LUXEMBOURG AND WHERE OTHERWISE PERMITTED BY LAW. SHARES ARE NOT BEING OFFERED OR SOLD IN ANY JURISDICTION WHERE THE OFFER OR SALE IS PROHIBITED BY LAW.**

### ***Investor Qualifications***

Shares may be divided into several separate classes of Shares. Shares may be differentiated between Distribution Shares and Capitalization Shares. Other Classes may be offered with specific features such as charges and expenses, currency and foreign exchange exposure, minimum subscription or other specific features. All such characteristics may be further defined under the Section entitled "Subscription, Transfer, Conversion and Redemption of Shares" as well as in the Appendix for each Sub-Fund.

### ***What to Know Before You Invest in a Fund***

The value of your investment in a Fund may increase or decrease and you could lose some or all of your investment in a Fund. There is no assurance that a Fund will meet its investment objective.

An investment in the SICAV involves risk, including the possible loss of capital. The SICAV cannot guarantee the performance of or any future return on the Shares. Please refer to the section "General Risk Considerations".

Please read this Prospectus before making any investment in a Fund. In addition, there may be laws and regulations, exchange controls and tax rules that apply to you because of your investment in a Fund. If you have any question about the information in this Prospectus or investing in any Fund, please consult your financial, tax and legal advisers.

No person is authorized to make any representation about the SICAV, any Sub-Fund or the Shares other than those representations contained in this Prospectus. You should not rely on any representation about the SICAV, a Sub-Fund or the Shares other than those representations contained in this Prospectus.

The management company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the SICAV, notably the right to participate in general shareholders' meetings, if the investor is registered himself and in his own name in the shareholders' register of the SICAV. In cases where an investor invests in the SICAV through an intermediary investing into the SICAV in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the SICAV. Investors are advised to take advice on their rights.

### ***Data Protection***

Pursuant to data protection law applicable in Luxembourg (including, but not limited to, the Luxembourg Law of 2 August 2002 on the Protection of Persons with regard to the Processing of Personal Data, as amended from time to time) any personal data provided in connection with an investment in the SICAV may be held on computer and processed by the SICAV, the Management Company, the Administrator and their affiliates and agents (together hereafter the "Entities") as data processor or data controller, as appropriate. Personal data may be processed for the purposes of processing subscription, conversion and redemption orders, maintaining registers of shareholders and carrying out the services provided by the Entities as well as to comply with legal or regulatory obligations including, but not limited to, legal or regulatory obligations under applicable company law, anti-money laundering law and tax law (including the FATCA Law and the CRS Law, as defined in the section Tax of this Prospectus) and similar laws and regulations in Luxembourg or at OECD or EU level.

Personal data may also be used in connection with investments in other investment fund(s) managed by the Management Company and their affiliates. Personal data shall be disclosed to third parties where necessary for legitimate business interests only. This may include disclosure to third parties such as governmental or regulatory bodies including tax authorities, auditors, accountants, investment managers, investment advisors, paying agents and subscription and redemption agents, distributors as well as permanent representatives in places of registration and any other agents of the Entities who may process the personal data for carrying out their services and complying with legal obligations as described above.

Investors are also informed that, as a matter of general practice, telephone conversations and instructions may be recorded as proof of a transaction or related communication. Such recordings will be processed in accordance with data protection law applicable in Luxembourg and shall not be released to third parties, except in cases where the SICAV, the Management Company, the Investment Managers or/and the Administrative Agent are compelled or entitled by law or regulation to do so.

By subscribing for shares of the SICAV, investors consent to the aforementioned processing of their personal data and, in particular, the disclosure of their personal data to, and the processing of their personal data by the parties referred to above including by parties situated in countries outside of the European Union which may not offer a similar level of protection as the one deriving from Luxembourg data protection law. Investors acknowledge and accept that the transfer of their personal data to these Entities may occur via, and/or their personal data may be processed by, parties in countries which may not have data protection requirements deemed equivalent to those prevailing in the European Union.

Investors acknowledge and accept that failure to provide relevant personal data requested by the SICAV, the Management Company and/or the Administrative Agent in the course of their relationship with the SICAV may prevent them from maintaining their holdings in the SICAV and may be reported by the SICAV, the Management Company and/or the Administrative Agent to the relevant Luxembourg authorities.

Investors acknowledge and accept that the SICAV, the Management Company or the Administrative Agent will report any relevant information in relation to their investments in the Company to the Luxembourg tax authorities which will exchange this information on an automatic basis with the competent authorities in the United States or other permitted jurisdictions as agreed in the FATCA Law, the CRS Law or similar laws and regulations in Luxembourg or at OECD and EU level.

To the extent that personal data provided by investors include personal data of his/her/its representatives, and/or authorised signatories and/or beneficial owners, (together with the investors, the "Data Subjects"), the investors acknowledge and agree to secure their consent to the aforementioned processing of their personal data including the transfer of their personal data to parties situated in countries outside of the European Union which may not offer a similar level of protection as the one deriving from Luxembourg data protection law.

Data Subjects may request access to, rectification of or deletion of any personal data provided to any of the parties above or stored by any of the parties above in accordance with applicable data protection law. Data Subjects may at any time object, on request and free of charge, to the processing of their personal data for direct marketing purposes. Data Subjects should address such requests to Rothschild & Co Investment Managers, at the address of 33 rue Sainte Zithe, L-2763 Luxembourg, Grand Duchy of Luxembourg.

Reasonable measures have been taken to ensure confidentiality of the personal data transmitted between the parties mentioned above. However, due to the fact that the personal data is transferred electronically and made available outside of Luxembourg, the same level of confidentiality and the same level of protection in relation to data protection law as currently in force in Luxembourg may not be guaranteed while the personal data is kept abroad.

The SICAV will accept no liability with respect to any unauthorised third party receiving knowledge of and/or having access to the investors' personal data, except in the event of wilful negligence or gross misconduct of the SICAV.

Personal data shall not be held for longer than necessary with regard to the purpose of the data processing, subject always to applicable legal minimum retention periods.

### ***Prevention of money laundering and terrorist financing***

In accordance with international regulations and Luxembourg laws and regulations (including, but not limited to, the amended Law of 12 November 2004 on the fight against money laundering and financing of terrorism), the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012, CSSF Circulars 13/556 and 15/609 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements, obligations have been imposed on all professionals of the financial sector in order to prevent undertakings for collective investment from

money laundering and financing of terrorism purposes. As result of such provisions, the registrar and transfer agent of a Luxembourg undertaking for collective investment must ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. Therefore, the Registrar and Transfer Agent may require subscribers to provide any document it deems necessary to effect such identification. In addition, the Registrar and Transfer Agent, as delegate of the SICAV, may require any other information that the SICAV may require in order to comply with its legal and regulatory obligations, including but not limited to the CRS Law.

In case of delay or failure by an applicant to provide the required documentation, the subscription request will not be accepted and in case of redemption, payment of redemption proceeds delayed. Neither the SICAV nor the Registrar and Transfer Agent will be held responsible for said delay or failure to process deals resulting from the failure of the applicant to provide documentation or incomplete documentation.

From time to time, Shareholders may be asked to supply additional or updated identification documents in accordance with client on-going due diligence obligations under the relevant laws and regulations.

### ***Investments by U.S. Persons***

No Sub-Fund is open for investment by any U.S. Person (as defined below).

The Shares have not been, and will not be registered under the U.S. Securities Act of 1933, as amended (the "1933 Act") and the SICAV has not been registered under the Investment Company Act of 1940, as amended (the "1940 Act"), or permitted under any law of the United States, and, accordingly, the Shares may not be offered or sold, directly or indirectly, in the U.S. or to or for the account or benefit of any U.S. Person (as defined in Regulation S under the Securities Act of 1933) and similar categories (as described in the US "HIRE" Act of 18 March 2010 and in the FATCA framework).

## GLOSSARY

"Administrator"	CACEIS Bank, Luxembourg Branch acting as Domiciliary, Central Administration, Corporate Agent, Registrar and Transfer Agent;
"Appendix"	an appendix to this Prospectus containing information with respect to a particular Sub-Fund;
"Articles"	the Articles of Incorporation of the SICAV;
"Business Day"	a full banking business day, other than a Saturday or Sunday or public holiday, on which banks are open the whole day for business in Luxembourg (unless otherwise specified for a specific Sub-Fund as described in its Appendix);
"Share Class" or "Share Classes"	one or more separate classes of Shares of no par value in a Sub-Fund, as defined under Chapter "Subscription, Transfer, Conversion and Redemption of Shares" below;
"Depository"	CACEIS Bank, Luxembourg Branch, acting as custodian;
"Directors"	the members of the board of directors of the SICAV for the time being and any successors to such members as they may be appointed or co-opted from time to time;
"Initial Offer Period"	in respect of a Sub-Fund, the period that may be determined by the Directors during which Shares are offered for subscription at a fixed price as specified in the relevant Appendix;
"KID"	key information document;
"Net Asset Value" or "NAV"	the net value of the assets attributable to the SICAV or a Sub-Fund or a Class, as the case may be, determined in accordance with the Articles;
"Net Asset Value per Share"	the Net Asset Value divided by the number of Shares in issue or deemed to be in issue;
"Redemption Price"	the Net Asset Value as of the relevant Valuation Day per Share minus any redemption charge, as may be specified in the relevant Appendix;
"SFDR"	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability - related disclosures in the financial services sector
"SFT"	securities financing transactions in the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as may be amended, supplemented or consolidated from time to time;
"Shares"	registered Shares of no par value of any Class;
"Shareholder"	a person recorded as a holder of Shares in the Fund's register of Shareholders;
"Sub-Fund"	a separate portfolio of assets established for one or more classes of Shares in the SICAV which is invested in assets in accordance with the investment objective of the portfolio. The Sub-Funds do not have

a legal existence distinct from the SICAV; however each Sub-Fund is liable only for the debts, liabilities and obligations attributable to it. The specifications of each Sub-Fund will be described in the relevant Appendix;

"Subscription Price"	the Net Asset Value as of the relevant Valuation Day per Share plus any sale charge, as may be specified in the relevant Appendix;
"Total Expense Ratio"	the total amount of charges and expenses defined in chapter "Fees and Expenses" below;
"TRS"	total return swap in the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648//2012, as may be amended, supplemented or consolidated from time to time;
"Trading Days"	A day on which an exchange is open on a full calendar year;
"UCI"	undertaking for collective investment;
"UCITS"	undertaking for collective investment in transferable securities in the meaning of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for the collective investment in transferrable securities, as amended;
"UK"	United Kingdom
"Underlying Fund"	a collective investment undertaking in which a Sub-Fund may invest;
"US Person"	as defined in the section Definition of "US Person" in Regulation S under the Securities Act of 1933 and similar categories as described in the US "HIRE" Act of 18 March 2010 and in the FATCA framework;
"United States" or "U.S." or "US"	the United States of America (including any state thereof) and any of its territories, possessions and other areas subject to its jurisdiction;
"Valuation Day"	a day as of which the Net Asset Value per Share of any Sub-Fund is determined, as defined in the relevant Appendix;

In this Prospectus all references to "USD" and "\$" are to the currency of the United States and all references to "Euro", "EUR" and "€" are to the unit of the European single currency.

## DIRECTORY

### Board of Directors:

Pierre Baudard, Chairman,  
Global Chief Operating Officer and Managing Director of Rothschild & Co  
Asset Management, Paris

Joerg Kopp,  
Director of Rothschild & Co Bank AG, Zurich

Etienne Rouzeau,  
Head of Investment Solutions, Rothschild & Co Asset Management

## MANAGEMENT AND ADMINISTRATION

### Registered Office:

5, allée Scheffer  
L - 2520 Luxembourg  
Grand Duchy of Luxembourg

### Management Company:

Rothschild & Co Investment Managers  
33 rue Sainte Zithe L-2763 Luxembourg  
Grand Duchy of Luxembourg

### Board of Directors of the Management Company:

Victor Decrion  
Jean de Courrèges  
Francis Carpenter  
Joerg Kopp  
Aldo di Rienzo  
Xavier Monnereau  
Christian Lowe  
John Malik

### Investment Managers:

Alma Capital Investment Management  
5 rue Aldingen  
L-1118 Luxembourg  
Grand Duchy of Luxembourg

Amundi Asset Management  
90 boulevard Pasteur  
75015 Paris  
France

AXA Investment Managers Paris  
Tour Majunga, La Défense 9  
6 Place de la Pyramide  
92800 Puteaux  
France

Massena Partners, Succursale de Paris  
78, avenue Raymond Poincaré  
75116 Paris  
France

Oddo BHF Asset Management  
12, boulevard de la Madeleine  
75009 Paris  
France



Rothschild & Co Asset Management  
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75008 Paris  
France

Rothschild & Co Bank AG  
Zollikerstrasse 181  
8034 Zurich  
Switzerland

Rothschild & Co Wealth Management UK Limited  
New Court  
St Swithin's Lane  
London, EC4N 8AL  
United Kingdom

Rothschild Martin Maurel  
29 avenue de Messine  
75008 Paris  
France

SG 29 Haussmann  
29, boulevard Haussmann  
75009 Paris  
France

**Delegate Investment Managers:** BDL Capital Management  
24 rue du Rocher  
75008 Paris  
France

Oddo BHF SCA  
12 boulevard de la Madeleine  
75009 Paris  
France

**Investment Advisors:** Finaccess Advisors, LLC  
1111 Brickell Avenue  
Suite 2300  
Miami, FL 33131  
USA

Massena Partners, Succursale de Paris  
78, avenue Raymond Poincaré  
75116 Paris  
France

Vitalepargne  
16 Rue de l'Académie  
14000 Caen  
France

**Depositary:** CACEIS Bank, Luxembourg Branch  
5, allée Scheffer  
L - 2520 Luxembourg  
Grand Duchy of Luxembourg

**Administrative Agent, Paying Agent, Domiciliary, Corporate Agent and Registrar and Transfer Agent:**

CACEIS Bank, Luxembourg Branch  
5, allée Scheffer  
L - 2520 Luxembourg  
Grand Duchy of Luxembourg

**Auditor:**

PricewaterhouseCoopers  
2, rue Gerhard Mercator  
L-2182 Luxembourg  
Grand Duchy of Luxembourg

**Legal Advisers:**

Elvinger Hoss Prussen  
2, place Winston Churchill  
L-1340 Luxembourg  
Grand Duchy of Luxembourg

## **PART I – APPENDICES RELATING TO SUB-FUNDS**

## APPENDIX: Colibri Invest

<b>Name of the Sub-Fund</b>	<b>Colibri Invest</b>
<b>Management Company</b>	<b>Rothschild &amp; Co Investment Managers</b>
<b>Investment Managers</b>	<b>Rothschild Martin Maurel Oddo BHF Asset Management SG 29 Haussmann</b>
<b>Delegate Investment Manager</b>	<b>ODDO BHF SCA</b>

### Objectives and Investment Policy

#### Investment objective:

The investment objective of Colibri Invest (the "Sub-Fund") is to aim to outperform its indicative benchmark over the recommended minimum investment horizon (over 5 years) by investing directly and/or indirectly (via UCIs including listed UCIs/ETFs) in the global equity and/or fixed income markets. The indicative benchmark is composed of: 25% Euro Stoxx + 25% MSCI AC World Index EUR Net Total Return + 50% Bloomberg Euro Aggregate Total Return Euro.

The Sub-Fund will invest in equity securities, fixed income securities (including convertible bonds), EMTN and structured certificates, as well as in UCITS and/or other UCIs whose diversified allocation allows exposure to equity securities and/or fixed income securities and/or absolute return UCITS, depending on market opportunities (discretionary management). Over the recommended minimum investment horizon, the Sub-Fund's exposure to equity and fixed income securities is intended to be balanced. However market conditions may warrant more defensive or tactical allocations in order to achieve the investment objective of the Sub-Fund and therefore result in an unbalance in such exposure within the specific investment limits laid down below.

To achieve its investment objective, the Sub-Fund may therefore invest in and/or be exposed to:

- 0-90% of its net assets in equities across all geographical zones (with up to 25% in non-OECD countries including emerging market equities) and all market capitalisation (with up to 25% in small cap stocks). The Sub-Fund may invest up to 25% of its net assets in H shares listed on the Hong Kong Stock Exchange. The geographic and sectorial mix of issuers is not determined in advance and will be achieved on the basis of market opportunities. The Sub-Fund will be exposed to equity markets through direct investments in equity, investment in UCITS and/or UCIs as well as derivative instruments. Investments in equity securities may include depositary receipts.
- 0-100% of its net assets in fixed income transferable debt securities (including convertible bonds up to a maximum of 25%) issued or guaranteed by sovereign governments, public or private companies across all geographical zones (with up to 10% in securities of issuers in non OECD countries including emerging markets) and of any quality including up to 50% of its net assets in securities either rated high yield or unrated, and up to 25% in subordinated bonds. High yield fixed income securities means securities which are rated less than BBB- (Standard & Poor's Ratings Services), Baa3 (Moody's Investors Service, Inc.), BBB- rating by Fitch Ratings or determined to be of equivalent quality by the Investment Manager in the absence of rating. The Sub-Fund will invest in and/or be exposed to bonds, negotiable debt securities (such as treasury bill, certificates of deposit, and euro commercial paper), of all maturities at fixed, variable or floating rates, index-linked bonds, money market instruments. The public/private debt mix is not determined in advance and will be achieved on the basis of market opportunities. The Sub-Fund does not invest in securities that are considered as in distress or in default at the time of investment. Should those securities become distressed or in default as a result of a downgrade, the Sub-Fund may continue to hold them up to 10% of its net assets and shall proceed at the earliest opportunity and in the best interest of the Shareholders to sell any holdings in excess of this threshold.  
The Sub-Fund will be exposed to fixed income markets through direct investments in fixed income securities, investment in UCITS and/or UCIs as well as derivative instruments

- 0-100% of its net assets in UCITS and/or other UCI (including listed UCIs/ETFs) whose diversified allocation allows exposure to equity securities and/or fixed income securities and/or absolute return UCITS, provided that investments in units of UCI other than UCITS comply with the eligibility criteria detailed the general part of the Prospectus, chapter entitled "Investment Restrictions" below and may not in aggregate exceed 20% of the net assets of the Sub-Fund, with up to a maximum of 20% of its net assets in UCITS using absolute return strategies.
- The Sub-Fund may hold up to 10% of its net assets in ancillary liquid assets.

The portfolio's overall exposure to the foreign exchange risk, including any off-balance sheet exposure, will not exceed 100% of the Sub-Fund's net assets.

▪ **Use of Derivatives:**

The Sub-Fund may also use listed or OTC derivatives (equity, currency futures, forward contracts including currency swap and options) for investment and hedging purposes, within the limit set forth in the Chapter "Use of Derivative, Special Investment and hedging techniques" of this Prospectus and any applicable legal provisions. With this in mind, it hedges its assets against or exposes its assets to economic sectors, geographical regions, currencies and equities.

The Sub-Fund's global exposure through derivatives instruments shall not exceed 100% of its total net assets.

For the time being, the Sub-Fund does not use TRS. The Sub-Fund reserves the right to use TRS in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

▪ **Securities incorporating derivatives:**

The use of securities incorporating derivatives is capped at 95% of the net assets. This limit includes the use of (i) callable and puttable bonds (up to 20% of net assets), (ii) convertible bonds (up to 25% of net assets), (iii) structured products: Euro Medium Term Notes (EMTN), certificates (up to 50% of net assets), as well as securities with simple embedded derivatives with risks similar to those of the instruments listed above.

▪ **Use of SFT:**

For the time being, the Sub-Fund does not use SFT. The Sub-Fund reserves the right to use SFT in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

▪ **Use of Benchmark:**

The Sub-Fund is not an index-based UCITS, it is actively managed. The composition may deviate significantly from the weightings and components of its indicative benchmark, and its performance may significantly differ from that of its indicative benchmark. Further details on the indicative benchmark are included under section Indicative Benchmark Index below.

▪ **Term Deposits:**

The Sub-Fund may invest up to 10% of its assets in deposits with a term less than or equal to three months.

▪ **Cash Borrowings:**

The Sub-Fund may borrow up to 10% of its assets on a temporary basis, primarily in order to handle the deferred payment procedures related to investor subscriptions and redemptions of the Sub-Fund's shares.

▪ **Reference currency:**

The reference currency of the Sub-Fund is the EUR.

▪ **Investment horizon:**

The recommended investment horizon is over 5 years.

▪ **Sustainability:**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector as amended (SFDR), governs the transparency requirements regarding the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of Environment, Social, and Governance (ESG) and sustainability-related information.

Sustainability risk means the occurrence of an ESG event or condition that could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment.

The Sub-Fund is managed under article 6 of the SFDR regulation and integrates ESG factors in its investment process. The Sub-Fund does not consider principal adverse impacts on sustainability factors.

In accordance with Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy), the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## **Selection of securities]**

### **A. Selection of securities for the segment managed by Rothschild Martin Maurel**

The management process combines top-down and bottom-up approaches, allowing two sources of added value to be identified:

- The sector allocation is determined by analysing the macro-economic and financial environment.
- The selection of securities is based on a fundamental two-stage approach:
  - A quantitative analysis aimed at determining the extent to which the value is attractive by applying ratios appropriate to each industry (enterprise value/capital employed, enterprise value/gross operating result, price-earnings ratio, etc.).
  - A qualitative analysis based on an understanding of the competitive drivers, of how profitability is achieved (imbalance between supply/demand, cost advantages, patents, trademarks, regulation, etc.).

The following four sources of added value are used for the fixed-income portfolio:

- a) **Duration:** The portfolio's duration increases when a fall in interest rates is anticipated by the manager and vice versa.
- b) **Credit risk exposure:** The Sub-Fund management process combines top-down and bottom-up approaches, allowing two sources of added value to be identified:
  - The sector and geographical allocation is determined on the basis of an analysis of the economic and financial environment. This analysis leads to identify long-term risks and factors influencing price levels. A particular emphasis is placed on analysis of historical defaults and assessment of competitive playing field;

- The selection of securities is based on a fundamental two-stage approach:
  - A quantitative analysis based on the probability of default by:
    - using a large amount of public-domain data and statistics for each company;
    - comparing this data with those of companies in the same economic sector;
    - determining a theoretical value which compares favourably or unfavourably with that of the market.
  - A qualitative analysis based on:
    - the sector's sustainability;
    - study of the competitive parameters;
    - an understanding of the balance sheet;
    - an appreciation of how profitability is achieved (imbalances in supply and demand, cost advantages, patents, brands, legislation and regulations, etc.);
    - an understanding of (balance-sheet and off-balance-sheet) debt maturity ladders;
    - determination of the likelihood of intra-sector survival.
- c) **Interest rate curve positioning:** securities with short and very long maturities will be favoured over those with a medium-term or other maturities, depending on the manager's expectation regarding the flattening or the steepening of the interest rate curve.
- d) **Option strategies:** options on the interest-rate markets may be purchased or sold, depending on whether the manager anticipates changes in volatility and the prices of the underlying instruments.

## **B. Selection of securities for the segment managed by Oddo BHF Asset Management**

The management process combines top-down and bottom-up approaches.

The asset allocation is elaborated based on all the Oddo BHF expertise and through two committees:

- **Global Investment Committee** (Asset management and Private Wealth Management (PWM) experts) which, based on probabilistic macroeconomic scenarios, recommend a dynamic and strategic view on the different asset classes.
- **Tactical committee** (PWM portfolio managers) builds allocation grids in line with the Global Investment Committee recommendations.

Based on this allocation, the portfolio is invested on each asset class with a core and an opportunistic approach.

### **a) Equity investment**

#### **Core investment**

The investment universe is made up of securities from the Stoxx 600 (Europe), S&P 500 (United States) and MSCI Emerging Markets (emerging countries) indices.

Equities are selected both with a qualitative and quantitative approach.

The investment manager aims to invest in quality companies with sustainable and high profitability, as well as in companies with potential for structural growth. The investment manager is looking for:

- Companies with a resilient business model with return on investment great than capital cost
- Companies with a competitive advantage: strong market share, licenses, brand...
- Visible structural growth

The investment is intended for the long term with a low turnover

### **Opportunistic Equity investment**

The central investment equity selection can be tactically diversified to take into account the microeconomic environment: sector, theme, country

These investments are made through UCITS or ETFs.

### **b) Bond investment**

Bond investments are made through UCITS, ETFs or direct bonds.

#### **Core investment**

Construction of a bond portfolio seeking long-term carry and decorrelation with assets. The investment manager focuses its selection on quality bonds with a duration of 4 to 5 years.

#### **Opportunist bond investment**

- Dynamic and tactical portion of the bond portfolio, opportunistically managed to provide additional yield to the portfolio.
- Involves a lot of leeway and allows the portfolio to be positioned either more defensively or more aggressively.

### **c) Alternative management investment**

An alternative management pocket through UCIT funds can be set up to reduce volatility.

### **d) Hedging**

Currencies can be hedged with Futures or forward contracts.

Bonds Duration can be managed by using futures.

Equity exposure can be reduced by options strategy or Futures.

## **C. Selection of securities for the segment managed by SG 29 Hausmann**

SG29 Hausmann investment philosophy is common to across all products and involves a combined top-down and bottom-up approach:

1. Top-down approach: analysis of the current and expected macroeconomic environment (valuations, market momentum and technical indicators) in order to assess investment opportunities by asset class, geographic area, sector and investment style. The investment recommendations are performed by the "GIC" (Global Investment Committee) comprised of economists and heads of investments within Société Générale Private Banking. GIC meets formally on a monthly basis or more frequently according to market events.
2. Bottom-up approach: investment specialists and analysts make investment recommendations across all liquid asset classes on a weekly basis or more frequently if necessary. Recommendations span across equity, fixed income and credit, derivatives and mutual funds (including ETFs) using both a quantitative and qualitative approach. Quantitative approach is based on filters across parameters such as valuation while qualitative approach looks more closely at a company's fundamentals such as strength of earnings, quality of balance sheet, cashflow trends, yield and duration and relative valuation.

The construction of the portfolio is eventually based on both top-down and bottom-up recommendations. The final portfolio weightings are defined so that the overall allocation complies with the portfolio's specific risk-return profile at any time.



## Benchmark Index

The Sub-Fund's benchmark is composed of 25% Euro Stoxx® (SXXT Index) + 25% MSCI AC World Index EUR Net Total Return (NDEEWNR Index) + 50% Bloomberg Euro Aggregate Total Return Euro (LBEATREU Index).

The **Euro Stoxx**® (Bloomberg Code: SXXT) index combines approximately 300 stocks from among the leading large capitalisations in the Eurozone, dividends reinvested. It is calculated by Stoxx Ltd and is available on the website [www.stoxx.com](http://www.stoxx.com). Stoxx Ltd is listed on the ESMA Register of benchmark administrators.

The **MSCI AC World Index EUR Net Total Return** (Bloomberg Ticker: NDEEWNR), calculated by the Morgan Stanley company, captures large and mid cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. Following the UK's departure from the EU, MSCI Limited is no longer listed on the ESMA register of benchmark administrators. Transitional provisions following Brexit authorize the continued use of benchmarks administered by index administrators based in the UK and authorized by the UK Financial Conduct Authority as a non-EU based administrator during a transitional period.

The **Bloomberg Euro Aggregate Total Return Euro Index** (Bloomberg Ticker: LBEATREU) that measures the investment grade, euro-denominated, fixed-rate bond market, including treasuries, government-related, corporate and securitized issues. It is calculated by Bloomberg Index Services Limited and is available on the index provider's website at <https://www.bloomberg.com/quote/LBEATREU:IND>. As of the date of the last update of this prospectus, Bloomberg Index Services Limited is not listed on the ESMA Register of administrators and benchmarks. Bloomberg Index Services Limited (BISL) is authorized by the UK's Financial Conduct Authority to conduct benchmark administration under the UK benchmark regulation. Transitional provisions following Brexit authorize the continued use of benchmarks administered by index administrators based in the UK and authorized by the UK Financial Conduct Authority as a non-EU based administrator during a transitional period.

The Management Company has and maintains a procedure setting out the actions to be taken should any of the indices used as benchmark materially change or cease to be provided. This procedure is available upon request at the Management Company's registered office.

## Risk Profile

The specific risks of investing in the Sub-Fund are linked to:

**Discretionary management risk:** The discretionary management style applied to the Sub-Fund is based on the anticipation of the evolution of the various markets and/or on the selection of securities. There is a risk that the Sub-Fund may not be invested in the best performing markets or securities at all times. The performance of the Sub-Fund may therefore be lower than the management objective. The net asset value of the Sub-Fund may also have a negative performance.

**Equity risk:** Shares' prices on equity markets may fluctuate namely pursuant to investor's expectations or anticipations, causing high potential volatility risk. Volatility on equity markets has historically been much greater than the volatility of fixed income markets.

**Credit risk:** Funds investing in debt securities issued by a public, corporate, bank or sovereign organization are exposed to the possibility that this issuer will not be able to reimburse debt holders (principal and interest payment). In addition, if after acquisition the perceived risk of failure increases, the value of such securities is likely to decrease.

**Changing interest rates risk:** The market value of fixed income securities may rise or fall inversely with changes in interest rates. Interest rate involves the risk that, when interest rates increase, the market-value of fixed-income securities tends to decline.

**Foreign exchange/currency risks:** The Sub-Fund is invested in securities denominated in a number of different currencies other than its reference currency. Changes in foreign currency exchange rates will affect the value of some securities and bring additional volatility.

**High yield risk:** some of the high yield securities held in the portfolio may involve increased credit and market risk; such securities are subject to the risk of an issuer's inability to meet principal and interest payments on its obligations (credit risk) and may also be subject to price volatility due to such factors as interest rate duration, market perception of the creditworthiness of the issuer and general market liquidity.

**Emerging Market risk:** Investments in emerging market securities involve certain risks, such as illiquidity and volatility, which may be greater than those generally associated with investing in developed markets. Some governments exercise substantial influence over the private economic sector and investment may be affected by political and economic instability. The extent of economic development, political stability, market depth, infrastructure, capitalization, and regulatory oversight in emerging market economies may be less than in more developed countries.

**Counterparty risk:** Unlisted derivative instruments are agreed with a specific counterparty. If the counterparty goes into liquidation, defaults, or fails to meet payment obligations when due, Fund could suffer a loss. Because they are not listed, these derivatives can be difficult to price.

**Convertible security risks:** Funds may invest in convertible securities which are securities generally offering fixed interest or dividend yields which may be converted either at a stated price or stated rate for common or preferred stock. Although to a lesser extent than with fixed income securities generally, the market value of convertible securities tends to decline as interest rates or credit risk rise. Because of the conversion feature, the market value of convertible securities also tends to vary with fluctuations in the market value and volatility of the underlying common or preferred stock.

**Risk linked to implied volatility:** The Sub-Fund may be exposed to the implied volatility of underlying assets in which it invests. If the implied volatility decreases, the Sub-Fund's Net Asset Value may also decrease.

**Risk associated with absolute return management strategies:** Absolute return management strategies are techniques which consist in particular in taking advantage of observed (or anticipated) price differences between markets and/or sectors and/or securities and/or currencies and/or instruments. In the event of unfavorable developments in these positions (e.g. an increase in short transactions and/or a decrease in long transactions), the net asset value of these funds or investment funds may decrease. It is also possible that these management strategies may cause the net asset value of the sub-fund to decrease in the event of a rise in the financial markets (equity and/or bond and/or commodity markets).

**Sustainability risk:** The occurrence of an ESG event or condition that could, if it occurs, potentially or actually cause a material negative impact on the value of the Sub-Fund's investment. The occurrence of such an event or condition may also lead to a change in the investment strategy of the Sub-fund, including the exclusion of certain issuers' securities. Specifically, the negative impacts of sustainability risks may affect issuers through a variety of mechanisms, including: 1) lower revenues; 2) higher costs; 3) damage or depreciation of asset values; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase over the longer term.

For a complete description about risks, please refer to the general part of the Prospectus, chapter entitled "General Risk Considerations" below. This chapter also describes the other risks linked to an investment into the Sub-Fund.

The risks of the Sub-Fund are managed through the use of the "Commitment Approach" method described under "Use of Derivative, Special Investment and hedging Techniques"- "Global Risk Exposure".

## Typical Investor Profile

An investment in any Share Class of the Sub-Fund is suitable for institutional or retail investors who:

- are looking for a diversified investment vehicle;
- can afford to set aside capital for at least 5 years;
- can tolerate significant volatility.

## Charges for this Sub-Fund

### ▪ Indirect charges

The Sub-Fund will pay fees of the Underlying Funds. No subscription or redemption fee may be charged on account of a Sub-Fund's investment in the shares or units of other Underlying Funds that are managed directly or by delegation by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding. In any other case, the Sub-Fund will not invest in Underlying Funds which levy a subscription or a redemption fee higher than 2.5%. The Sub-Fund will invest in Underlying Funds for which the management fees will not exceed 3%.

The Total Expense Ratio by Share Class does not include indirect charges, indirect performance fees or other costs of the Underlying Funds.

### ▪ Direct charges

Share class	Maximum sales charge	Maximum redemption charge	Maximum Total Expense Ratio
C EUR	Up to 5%	None	0.97%
D EUR	Up to 5%	None	0.97%

## Practical Information

This Sub-Fund is subject to specific tax treatment in Luxembourg (please refer to the Section entitled "Taxation" below"). Depending on your own country of residence, this might have an impact on your investment. For further details, please speak to an adviser.

Date of creation of the Sub-Fund: the date of creation of the Sub-Fund shall be determined by a resolution of the Board of Directors of the SICAV.

Initial NAV:

Share Class	Initial NAV
C EUR	€1,000
D EUR	€1,000

Valuation frequency: weekly on Fridays and on the last Bank Business Day of each month. If any Valuation Day falls on a day that is not a Bank Business Day, the Net Asset Value of the Sub-Fund shall be calculated on the immediately following Bank Business Day.

With respect to this Sub-Fund, a Bank Business Day is defined as any full day on which banks and stock exchanges are open for normal banking business in Luxembourg and in France.

Any requests for subscription, redemption or conversion of Shares must be received by the Sub-Fund in Luxembourg no later than 12:00 p.m. (CET) (noon) on any Bank Business Day (D-1) preceding the relevant Valuation Day (D). Any request received after 12:00 p.m. (CET) will be processed as of the

immediately following Valuation Day (D+1). The Payment of the Subscription Price must be made within 2 Bank Business Days of the Valuation Day (D+2). The payment of the Redemption Price in respect of the redeemed Shares will take place within 2 Bank Business Days following the Valuation Day (D+2).

The Sub-Fund may issue the following shares in registered form only. The issuance of fractions of Shares to a maximum of four decimal places is permitted.

Share Class	ISIN	Type of investors	Currency	Minimum initial Subscription Requirement*	Fractional Shares	Dividend Policy
C EUR	LU2528857571	All investors	Euro	10 Shares	yes	Capitalization
D EUR	LU2528857654	All investors	Euro	10 Shares	yes	Distribution

\*The Board of Directors reserves the right to waive these minimum initial subscription requirements.

The Sub-Fund's shares are currently not listed on the Luxembourg Stock Exchange or any other stock exchange.

The relevant KID indicates where information on the historical performance of the Sub-Fund is available. The information on the portfolio of the Sub-Fund is disclosed in the annual and semi-annual reports of the SICAV. Additional information about the Sub-Fund (including full prospectus, KID and reports) may be obtained free of charge at the Registered Office of the Management Company and of the Administrative Agent. Notices to Shareholders may be published on the Management Company's website at <https://www.lu.rothschildandco.com/>.

## APPENDIX: Deer Investment

<b>Name of the Sub-Fund</b>	<b>Deer Investment</b>
<b>Management Company</b>	<b>Rothschild &amp; Co Investment Managers</b>
<b>Investment Managers</b>	<b>Rothschild Martin Maurel</b>

### Objectives and Investment Policy

#### Investment objective:

The investment objective of Deer Investment (the "Sub-Fund") is to aim to outperform its indicative benchmark over the recommended minimum investment horizon (over 5 years) by investing directly and/or indirectly (via UCIs including listed UCIs/ETFs) in the global equity and/or fixed income markets. The indicative benchmark is composed of: 50% MSCI Daily Net TR World Euro (MSDEWIN) + 25% Bloomberg Euro Aggregate Government TR Index Value Unhedged Eur (LEEGTREU) + 25% Ester (OISESTR).

The Sub-Fund will mainly invest directly in equity securities and fixed income securities (including convertible bonds), EMTN and structured certificates, but may also invest in UCITS and/or other UCIs whose diversified allocation allows exposure to equity securities and/or fixed income securities and/or absolute return UCITS, depending on market opportunities (discretionary management). Over the recommended minimum investment horizon, the Sub-Fund's exposure to equity and fixed income securities is intended to be balanced. However market conditions may warrant more defensive or tactical allocations in order to achieve the investment objective of the Sub-Fund and therefore result in an unbalance in such exposure within the specific investment limits laid down below.

To achieve its investment objective, the Sub-Fund may therefore invest in and/or be exposed to:

- 0-80% of its net assets in equities across all geographical zones (with up to 20% in non-OECD countries including emerging market equities) and all market capitalisation (with up to 20% in small cap stocks). The Sub-Fund may invest up to 10% of its net assets in H shares listed on the Hong Kong Stock Exchange. The geographic and sectorial mix of issuers is not determined in advance and will be achieved on the basis of market opportunities. The Sub-Fund will be exposed to equity markets through direct investments in equity, investment in UCITS and/or UCIs as well as derivative instruments.
- 10-100% of its net assets in fixed income transferable debt securities (including convertible bonds up to a maximum of 20%) issued or guaranteed by sovereign governments, public or private companies across all geographical zones (with up to 10% in securities of issuers in non OECD countries including emerging markets) and of any quality including up to 25% of its net assets in securities either rated high yield or unrated and up to 15% in subordinated bonds. High yield fixed income securities means securities which are rated less than BBB- (Standard & Poor's Ratings Services), Baa3 (Moody's Investors Service, Inc.), BBB- rating by Fitch Ratings or determined to be of equivalent quality by the Investment Manager in the absence of rating.  
The Sub-Fund will invest in and/or be exposed to bonds, negotiable debt securities (such as treasury bill, certificates of deposit, and euro commercial paper), of all maturities at fixed, variable or floating rates, index-linked bonds, money market instruments. The public/private debt mix is not determined in advance and will be achieved on the basis of market opportunities. The Sub-Fund does not invest in securities that are considered as in distress or in default at the time of investment. Should those securities become distressed or in default as a result of a downgrade, the Sub-Fund may continue to hold them up to 10% of its net assets and shall proceed at the earliest opportunity and in the best interest of the Shareholders to sell any holdings in excess of this threshold.  
The Sub-Fund will be exposed to fixed income markets through direct investments in fixed income securities, investment in UCITS and/or UCIs as well as derivative instruments.
- 0-100% of its net assets in UCITS and/or other UCI (including listed UCIs/ETFs) whose diversified allocation allows exposure to equity securities and/or fixed income securities and/or absolute

return UCITS, provided that investments in units of UCI other than UCITS comply with the eligibility criteria detailed the general part of the Prospectus, chapter entitled "Investment Restrictions" below and may not in aggregate exceed 20% of the net assets of the Sub-Fund, with up to a maximum of 20% of its net assets in UCITS using absolute return strategies.

- The Sub-Fund may hold up to 10% of its net assets in ancillary liquid.

The portfolio's overall exposure to the foreign exchange risk, including any off-balance sheet exposure, will not exceed 100% of the Sub-Fund's net assets.

▪ **Use of Derivatives:**

The Sub-Fund may also use listed or OTC derivatives (equity, currency, interest-rate and credit futures, forward contracts, options as well as currency and interest-rate swaps) for investment and hedging purposes, within the limit set forth in the Chapter "Use of Derivative, Special Investment and hedging techniques" of this Prospectus and any applicable legal provisions. With this in mind, it hedges its assets against or exposes its assets to economic sectors, geographical regions, currencies and equities.

The Sub-Fund's global exposure through derivatives instruments shall not exceed 100% of its total net assets under the commitment method.

For the time being, the Sub-Fund does not use TRS. The Sub-Fund reserves the right to use TRS in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

▪ **Securities incorporating derivatives:**

The use of securities incorporating derivatives is capped at 95% of the net assets. This limit includes the use of (i) callable and puttable bonds (up to 20% of net assets), (ii) convertible bonds (up to 25% of net assets), (iii) warrants and subscription warrants, (iv) structured products: Euro Medium Term Notes (EMTN), structured certificates (up to 50% of net assets), as well as securities with simple embedded derivatives with risks similar to those of the instruments listed above.

▪ **Use of SFT:**

For the time being, the Sub-Fund does not use SFT. The Sub-Fund reserves the right to use SFT in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

▪ **Use of Benchmark:**

The Sub-Fund is not an index-based UCITS, it is actively managed. The composition may deviate significantly from the weightings and components of its indicative benchmark and its performance may significantly differ from that of its indicative benchmark. Further details on the indicative benchmark are included under section Indicative Benchmark Index below.

▪ **Term Deposits:**

The Sub-Fund may invest up to 10% of its assets in deposits with a term less than or equal to three months.

▪ **Cash Borrowings:**

The Sub-Fund may borrow up to 10% of its assets on a temporary basis, primarily in order to handle the deferred payment procedures related to investor subscriptions and redemptions of the Sub-Fund's shares.

▪ **Reference currency:**

The reference currency of the Sub-Fund is the EUR.

▪ **Investment horizon:**

The recommended investment horizon is over 5 years.

▪ **Sustainability:**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector as amended (SFDR), governs the transparency requirements regarding the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of Environment, Social, and Governance (ESG) and sustainability-related information.

Sustainability risk means the occurrence of an ESG event or condition that could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment.

The Sub-Fund is managed under article 6 of the SFDR regulation and integrates ESG factors in its investment process. The Sub-Fund does not consider principal adverse impacts on sustainability factors.

In accordance with Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy), the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## Selection of securities

The management process combines top-down and bottom-up approaches, allowing two sources of added value to be identified:

- The sector allocation is determined by analysing the macro-economic and financial environment.
- The selection of securities is based on a fundamental two-stage approach:
  - A quantitative analysis aimed at determining the extent to which the value is attractive by applying ratios appropriate to each industry (enterprise value/capital employed, enterprise value/gross operating result, price-earnings ratio, etc.).
  - A qualitative analysis based on an understanding of the competitive drivers, of how profitability is achieved (imbalance between supply/demand, cost advantages, patents, trademarks, regulation, etc.).

The following four sources of added value are used for the fixed-income portfolio:

- e) **Duration:** The portfolio's duration increases when a fall in interest rates is anticipated by the manager and vice versa.
- f) **Credit risk exposure:** The Sub-Fund management process combines top-down and bottom-up approaches, allowing two sources of added value to be identified:
  - The sector and geographical allocation is determined on the basis of an analysis of the economic and financial environment. This analysis leads to identify long-term risks and factors influencing price levels. A particular emphasis is placed on analysis of historical defaults and assessment of competitive playing field;
  - The selection of securities is based on a fundamental two-stage approach:
    - A quantitative analysis based on the probability of default by:
      - using a large amount of public-domain data and statistics for each company;
      - comparing this data with those of companies in the same economic sector;

- determining a theoretical value which compares favourably or unfavourably with that of the market.
- A qualitative analysis based on:
- the sector's sustainability;
  - study of the competitive parameters;
  - an understanding of the balance sheet;
  - an appreciation of how profitability is achieved (imbalances in supply and demand, cost advantages, patents, brands, legislation and regulations, etc.);
  - an understanding of (balance-sheet and off-balance-sheet) debt maturity ladders;
  - determination of the likelihood of intra-sector survival.
- g) Interest rate curve positioning:** securities with short and very long maturities will be favoured over those with a medium-term or other maturities, depending on the manager's expectation regarding the flattening or the steepening of the interest rate curve.
- h) Option strategies:** options on the interest-rate markets may be purchased or sold, depending on whether the manager anticipates changes in volatility and the prices of the underlying instruments.

## Benchmark Index

The Sub-Fund's benchmark is composed of 50% MSCI Daily Net TR World Euro + 25% Bloomberg Euro Aggregate Government TR Index Value Unhedged Eur + 25% Ester.

The **MSCI Daily Net TR World Euro** (Bloomberg Ticker: MSDEWIN), calculated by the Morgan Stanley company, captures large and mid cap representation across 23 Developed Markets (DM) countries. Following the UK's departure from the EU, MSCI Limited is no longer listed on the ESMA register of benchmark administrators. Transitional provisions following Brexit authorize the continued use of benchmarks administered by index administrators based in the UK and authorized by the UK Financial Conduct Authority as a non-EU based administrator during a transitional period.

The **Bloomberg Euro Aggregate Government TR Index Value Unhedged Eur** (Bloomberg Ticker: LEEGTREU) is a bond index composed of bonds issued by government issuers with an "investment grade" rating. It includes fixed-rate, euro-denominated, investment grade government and corporate bonds. The index is calculated with coupons reinvested. It is calculated by Bloomberg Indices and is available at [www.bloombergindices.com](http://www.bloombergindices.com). As of the date of the last update of this prospectus, Bloomberg Index Services Limited is not listed on the ESMA Register of administrators and benchmarks. Bloomberg Index Services Limited (BISL) is authorized by the UK's Financial Conduct Authority to conduct benchmark administration under the UK benchmark regulation. Transitional provisions following Brexit authorize the continued use of benchmarks administered by index administrators based in the UK and authorized by the UK Financial Conduct Authority as a non-EU based administrator during a transitional period.

The **ESTER/€STR (OISESTR)** (Euro Short Term Rate) is a euro short-term rate developed by the ECB based on data collected on the money market by the Eurosystem for statistical purposes. The €STR rate reflects the wholesale euro unsecured overnight borrowing costs of banks located in the eurozone. It supplements existing private-sector reference rates serving as a support reference rate and will gradually replace the EONIA.

The administrator of the ESTER is exempt from article 2.2 of the benchmark regulation as a central bank and is therefore not entered on the Register of administrators and benchmarks maintained by the ESMA.

The Management Company has and maintains a procedure setting out the actions to be taken should any of the indices used as benchmark materially change or cease to be provided. This procedure is available upon request at the Management Company's registered office.



## Risk Profile

The specific risks of investing in the Sub-Fund are linked to:

**Discretionary management risk:** The discretionary management style applied to the Sub-Fund is based on the anticipation of the evolution of the various markets and/or on the selection of securities. There is a risk that the Sub-Fund may not be invested in the best performing markets or securities at all times. The performance of the Sub-Fund may therefore be lower than the management objective. The net asset value of the Sub-Fund may also have a negative performance.

**Equity risk:** Shares' prices on equity markets may fluctuate namely pursuant to investor's expectations or anticipations, causing high potential volatility risk. Volatility on equity markets has historically been much greater than the volatility of fixed income markets.

**Credit risk:** Funds investing in debt securities issued by a public, corporate, bank or sovereign organization are exposed to the possibility that this issuer will not be able to reimburse debt holders (principal and interest payment). In addition, if after acquisition the perceived risk of failure increases, the value of such securities is likely to decrease.

**Changing interest rates risk:** The market value of fixed income securities may rise or fall inversely with changes in interest rates. Interest rate involves the risk that, when interest rates increase, the market-value of fixed-income securities tends to decline.

**Foreign exchange/currency risks:** The Sub-Fund is invested in securities denominated in a number of different currencies other than its reference currency. Changes in foreign currency exchange rates will affect the value of some securities and bring additional volatility.

**High yield risk:** some of the high yield securities held in the portfolio may involve increased credit and market risk; such securities are subject to the risk of an issuer's inability to meet principal and interest payments on its obligations (credit risk) and may also be subject to price volatility due to such factors as interest rate duration, market perception of the creditworthiness of the issuer and general market liquidity.

**Emerging Market risk:** Investments in emerging market securities involve certain risks, such as illiquidity and volatility, which may be greater than those generally associated with investing in developed markets. Some governments exercise substantial influence over the private economic sector and investment may be affected by political and economic instability. The extent of economic development, political stability, market depth, infrastructure, capitalization, and regulatory oversight in emerging market economies may be less than in more developed countries.

**Counterparty risk:** Unlisted derivative instruments are agreed with a specific counterparty. If the counterparty goes into liquidation, defaults, or fails to meet payment obligations when due, Fund could suffer a loss. Because they are not listed, these derivatives can be difficult to price.

**Convertible security risks:** Funds may invest in convertible securities which are securities generally offering fixed interest or dividend yields which may be converted either at a stated price or stated rate for common or preferred stock. Although to a lesser extent than with fixed income securities generally, the market value of convertible securities tends to decline as interest rates or credit risk rise. Because of the conversion feature, the market value of convertible securities also tends to vary with fluctuations in the market value and volatility of the underlying common or preferred stock.

**Risk linked to implied volatility:** The Sub-Fund may be exposed to the implied volatility of underlying assets in which it invests. If the implied volatility decreases, the Sub-Fund's Net Asset Value may also decrease.

**Risk associated with absolute return management strategies:** Absolute return management strategies are techniques which consist in particular in taking advantage of observed (or anticipated) price differences between markets and/or sectors and/or securities and/or currencies and/or instruments. In the event of unfavorable developments in these positions (e.g. an increase in short transactions and/or a decrease in long transactions), the net asset value of these funds or investment funds may decrease. It

is also possible that these management strategies may cause the net asset value of the sub-fund to decrease in the event of a rise in the financial markets (equity and/or bond and/or commodity markets).

**Sustainability risk:** The occurrence of an ESG event or condition that could, if it occurs, potentially or actually cause a material negative impact on the value of the Sub-Fund's investment. The occurrence of such an event or condition may also lead to a change in the investment strategy of the Sub-fund, including the exclusion of certain issuers' securities. Specifically, the negative impacts of sustainability risks may affect issuers through a variety of mechanisms, including: 1) lower revenues; 2) higher costs; 3) damage or depreciation of asset values; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase over the longer term.

For a complete description about risks, please refer to the general part of the Prospectus, chapter entitled "General Risk Considerations" below. This chapter also describes the other risks linked to an investment into the Sub-Fund.

The risks of the Sub-Fund are managed through the use of the "Commitment Approach" method described under "Use of Derivative, Special Investment and hedging Techniques"- "Global Risk Exposure".

### Typical Investor Profile

An investment in any Share Class of the Sub-Fund is suitable for institutional or retail investors who:

- are looking for a diversified investment vehicle;
- can afford to set aside capital for at least 5 years;
- can tolerate significant volatility.

### Charges for this Sub-Fund

- **Indirect charges**

The Sub-Fund will pay fees of the Underlying Funds. No subscription or redemption fee may be charged on account of a Sub-Fund's investment in the shares or units of other Underlying Funds that are managed directly or by delegation by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding. In any other case, the Sub-Fund will not invest in Underlying Funds which levy a subscription or a redemption fee higher than 2.5%. The Sub-Fund will invest in Underlying Funds for which the management fees will not exceed 2.5%.

The Total Expense Ratio by Share Class does not include indirect charges, indirect performance fees or other costs of the Underlying Funds.

- **Direct charges**

Share class	Maximum sales charge	Maximum redemption charge	Maximum Total Expense Ratio
B EUR	Up to 5%	None	1.01%

- **Performance fee**

The Investment Manager will receive a performance fee payable annually in arrears based on the performance of the Sub-Fund (the "Performance Fee") in reference to the Sub-Fund's benchmark (benchmark model). Such fee shall be equal to 20% of the Sub-Fund's outperformance in relation to the Sub-Fund's benchmark. Any underperformance of the Sub-Fund (over a period of maximum 5 years) compared to a reference fund achieving a performance equal to the benchmark's performance [50% MSCI Daily Net TR World Euro + 25% Bloomberg Euro Aggregate Government TR Index Value

Unhedged Eur + 25% Ester (OISESTR)] and having the same subscription and redemption operations as the Sub-Fund, must be compensated before any Performance Fee become payable.

If another year of underperformance occurred within this first 5 year period and has not been recovered by the end of this first period, a new period of maximum 5 years will start from this new year of underperformance.

For this purpose, the Performance Fee is calculated over a maximum period of five years by comparing the performance of the net assets of the Sub-Fund (i.e. net of costs defined in the Total Expense Ratio, coupons reinvested and excluding performance fees) with the net assets of a reference fund:

- whose starting value is that of the net assets of the Sub-Fund:
  - (i) where Performance Fees have been charged in the last five financial years, at the closing date of the most recent financial year when a Performance Fee was charged,
  - (ii) or, failing that, the opening date of the earliest financial year of the last four financial years for which underperformance has not been offset or the end of the previous financial year if no underperformance is to be offset in the last four financial years,
  - (iii) or, failing that, the launch date of the Sub-Fund;
- and therefore having a daily performance equal to that of the benchmark recording the same variations in subscriptions and redemptions as the Sub-Fund.

If, at the close of the financial year, the net assets of the Sub-Fund (excluding Performance Fees) exceed the net assets of the reference fund with the above starting value, then a Performance Fee equal to 20% (inclusive of tax) of the difference in valuation between the net assets of the Sub-Fund and the reference fund is charged. A Performance Fee may be charged if the Sub-Fund has outperformed the benchmark but has recorded a negative performance during the year.

The Performance Fees are provisioned on each Valuation Day and, where applicable, are effectively paid at the end of each financial year.

The provision will be reversed each time the difference between the two assets decreases. In the event of underperformance (where the Sub-Fund's net assets are valued less than the reference fund's net assets), the provisions will be reversed until the overall allocation is extinguished, excluding Performance Fees earned. The provisions existing at the end of the financial year and the portion of Performance Fees resulting from the redemption of Shares during the financial year will be paid to the Investment Manager.

Examples of outperformance calculations:

	<b>Net performance (*)</b>	<b>Underperformance (*) to be offset the following year</b>	<b>Outperformance fee deducted</b>	<b>Explanations</b>
Y0				
Y1	5%	0%	yes	
Y2	0%	0%	No	
Y3	-5%	-5%	No	
Y4	3%	-2%	No	
Y5	2%	0%	No	
Y6	5%	0%	yes	
Y7	5%	0%	yes	
Y8	-10%	-10%	No	
Y9	2%	-8%	No	
Y10	2%	-6%	No	
Y11	2%	-4%	No	
Y12	0%	0%	No	The underperformance of Y12 to be carried forward to the next year (Y13) is 0% (not -4%) as the residual underperformance from Y8 that was not yet compensated (-4%) is no longer relevant as the 5-year period has elapsed (the underperformance of Y8 is compensated until Y12).

## Practical Information

This Sub-Fund is subject to specific tax treatment in Luxembourg (please refer to the Section entitled "Taxation" below"). Depending on your own country of residence, this might have an impact on your investment. For further details, please speak to an adviser.

Date of creation of the Sub-Fund: the date of creation of the Sub-Fund shall be determined by a resolution of the Board of Directors of the SICAV.

Initial NAV:

Share Class	Initial NAV
B EUR	€1,000

Valuation frequency: weekly on Fridays and on the last Bank Business Day of each month. If any Valuation Day falls on a day that is not a Bank Business Day, the Net Asset Value of the Sub-Fund shall be calculated on the immediately following Bank Business Day.

With respect to this Sub-Fund, a Bank Business Day is defined as any full day on which banks and stock exchanges are open for normal banking business in Luxembourg and in France.

Any requests for subscription, redemption or conversion of Shares must be received by the Sub-Fund in Luxembourg no later than 12:00 p.m. (CET) (noon) on any Bank Business Day (D-1) preceding the relevant Valuation Day (D). Any request received after 12:00 p.m. (CET) will be processed as of the immediately following Valuation Day (D+1). The Payment of the Subscription Price must be made within 2 Bank Business Days of the Valuation Day (D+2). The payment of the Redemption Price in respect of the redeemed Shares will take place within 2 Bank Business Days following the Valuation Day (D+2).

The Sub-Fund may issue the following shares in registered form only. The issuance of fractions of Shares to a maximum of four decimal places is permitted.

Share Class	ISIN	Type of investors	Currency	Minimum initial Subscription Requirement*	Fractional Shares	Dividend Policy
B EUR	LU2528857738	All investors	Euro	1 Share	yes	Capitalization and/or distribution

\*The Board of Directors reserves the right to waive these minimum initial subscription requirements.

The Sub-Fund's shares are currently not listed on the Luxembourg Stock Exchange or any other stock exchange.

The relevant KID indicates where information on the historical performance of the Sub-Fund is available. The information on the portfolio of the Sub-Fund is disclosed in the annual and semi-annual reports of the SICAV. Additional information about the Sub-Fund (including full prospectus, KID and reports) may be obtained free of charge at the Registered Office of the Management Company and of the Administrative Agent. Notices to Shareholders may be published on the Management Company's website at <https://www.lu.rothschildandco.com/>.

## APPENDIX: R-Co Lux 4change Moderate Allocation

Name of the Sub-Fund	R-co Lux 4Change Moderate Allocation
Management Company	Rothschild & Co Investment Managers

### Objectives and Investment Policy

#### Investment objective:

The investment objective of R-co Lux 4Change Moderate Allocation (the "Sub-Fund") is the same as its master fund "R-co 4Change Moderate Allocation" (the "Master Fund"), deducting the Sub-Fund's Total Expense Ratio. The investment objective of the Master Fund is to outperform the indicative benchmark over the recommended investment period (more than three years): 55% IBoxx Euro Overall, net coupons reinvested (QW7A) + 15% capitalised Ester (OISESTR) + 30% Stoxx Europe 600, net dividend reinvested (SXXR), by implementing a discretionary management style combined with a socially responsible investment approach. The composition of this Sub-Fund may significantly differ from the allocation of the benchmark.

#### Investment policy:

The Sub-Fund acts as a feeder fund by investing substantially all of its assets in the Master Fund, with only a small amount of ancillary liquid assets held for liquidity purposes.

The Master Fund is a sub-fund of the UCITS SICAV "R-co" approved by the French Market Authority ("AMF") on 24 August 2018 and managed by Rothschild & Co Asset Management. Rothschild & Co Asset Management is a portfolio management company approved by the French Financial Markets Authority (AMF). Rothschild Martin Maurel acts as depositary of the Master Fund in accordance with a depositary agreement and the relevant provisions of the law and UCITS rules. Rothschild Martin Maurel is a limited partnership company (société en commandite simple) incorporated under the laws of France, having its registered office located at 29, avenue de Messine – 75008 Paris. It is an authorised credit institution supervised by the "Autorité de contrôle prudentiel et de résolution" ("ACPR").

#### **Investment policy of the Master Fund:**

*In order to achieve the investment objective, the Master Fund invests in fixed or variable income debt securities, as well as equities, based on market trends. The Master Fund is invested in fixed income transferable debt securities and equities as well as in money-market products on the basis of a selection process determined by analysis of the macro-economic and financial and non-financial environment and depending on market opportunities. The Master Fund may invest up to 10% of its assets in UCITS and/or other UCI.*

*The process of selecting securities, consistent with the investment universe, (i) follows formalised internal management rules, (ii) integrates non-financial analysis of companies and sovereign bond issuers concerning their Environmental, Social and Governance (ESG) aspects, and (iii) respects a set of discriminating SRI exclusion rules as described in this prospectus and in the Master Fund's transparency code.*

*In addition, the Master Fund applies an active engagement policy through a voting policy that respects the principles of responsible investment and regular dialogue with issuers on certain topics related to the consideration of sustainable development issues. The applied active engagement policy is detailed in the Master Fund's transparency code. In the interest of transparency and in order to consider certain aspects in more detail, a dedicated voting and dialogue report is updated annually and posted on the website: <https://am.fr.rothschildandco.com/fr/investissement-responsable/>*

*The Master Fund may therefore invest in and/or be exposed to:*

- *50-100% in fixed or variable income transferable debt securities, with up to 10% of the net assets in contingent convertible bonds. At least 10% of net assets will be invested in fixed-*

*income products rated investment grade, up to 30% of the net assets in high yield securities and up to 10% in unrated securities.*

*The Master Fund will invest in bonds, negotiable debt securities, (such as short-term negotiable debt securities and euro commercial paper), at fixed, variable or floating rates, profit-sharing securities, index-linked bonds, and convertible bonds (up to a maximum of 10%). The Master Fund may also invest up to a maximum of 10% of its net assets in convertible contingent bonds, and up to maximum 100% of its net assets in callable and puttable bonds. Sovereign debt securities may not represent more than 70% of net assets. The public/private debt mix is not determined in advance and will be achieved on the basis of the market opportunities.*

- *0-50% in equities from OECD countries, across all industrial sectors and sizes of stock market capitalisation, including a maximum of 10% in small and micro caps (i.e. companies with a market capitalisation of less than 1 billion euros). The geographic and sectorial mix of issuers is not determined in advance and will be achieved on the basis of the market opportunities.*
- *0-10% in UCITS and/or other UCI (including rated UCIs/ETFs) implementing a socially responsible investment (SRI) strategy, certified or in the process of being certified (excluding cash UCIs).*

▪ **Selection of securities:**

*The process of selecting equities and bonds of private or public issuers as well as UCIs respects not only the global policies of the Rothschild & Co group to which the Master Fund's management company belongs regarding social, environmental, and governance criteria (policies available on the websites <https://am.eu.rothschildandco.com> and [www.rothschildandco.com](http://www.rothschildandco.com) and in the annual report), but also additional SRI constraints as set out in the Master Fund's prospectus and transparency code.*

*To this date, the Sub-Fund has not yet obtained the French SRI label.*

*Results of non-financial analysis are integrated at various levels in the investment process.*

*The criteria for selecting securities are structured around two steps:*

- *Step 1 consists in defining the eligible investment universe: it is based on exclusion mechanisms relating to non-financial criteria;*
- *Step 2 contributes to the selection of securities in addition to the analysis of the business cycle and the fundamental analysis.*

*The proportion of issuers including sovereign issuers analysed on the basis of ESG criteria in the portfolio will durably exceed 90% of net assets, excluding cash and cash equivalents held in the portfolio on an ancillary basis. The remaining 10% not rated for ESG by non-financial data provider are subject to a dual assessment conducted internally by the Master Fund's management teams: the pledge is to (i) select issuers in keeping with the Master Fund's exclusions specific to controversial sectors as described in the prospectus and detailed in the Master Fund's transparency code and (ii) assess the issuer's risk/opportunity profile against non-financial criteria.*

**Step 1: Definition of the eligible investment universe**

*The definition of the eligible investment universe is based on respect for certain fundamental principles and non-financial criteria. It is structured around the main actions below:*

- *Exclusion of companies that do not respect the principles of the UN Global Compact;*
- *Exclusion of sovereign issuers of countries subject to international sanctions or that are in violation of fundamental principles such as those mentioned in the framework of the UN Global Compact;*

Then concomitantly :

- *Exclusion of companies that are not in line with the investment principles for thermal coal in force within the Rothschild & Co Group investment positions;*
- *The exclusion of issuers belonging to certain 'controversial' sectors whose exposure to certain activities above certain defined thresholds as presented in the Master Fund's transparency code does not justify their eligibility in view of the socially responsible strategy implemented by the Master Fund. Controversial sectors are arms, tobacco, coal, oil, unconventional gas, conventional oil and gas, and electricity generation.*

*To this end, the Master Fund's Management Company uses specific indicators, calculated by MSCI ESG Research, identifying and aggregating on the basis of public information the involvement of issuers in controversial activities and sectors, which they supplement with their internal research and discussions with the issuers in certain special cases.*

- *Exclusion of issuers rated in the bottom 20% on the basis of the non-financial criteria, ESG criteria, in number and among all rated issuers comprising the initial investment universe, described in the transparency code of the Master Fund (major European equity index Stoxx Europe Total Market, major euro-denominated bond indices iBoxx Euro Overall, ICE BofA Euro High Yield; portfolio securities not included in these indices will be reinstated into the initial investment universe).*

*This exclusion filter relies primarily on the ratings established by the external non-financial research company MSCI ESG Research, which takes the following factors in account in analysing the E, S, and G pillars:*

- ✓ *Environmental pillar: examination of the company's exposure to environmental risks and/or opportunities/specific risks associated with its business sector and policies and, consequently, the strategies implemented to address them (physical risks associated with climate change, waste management, etc.).*
- ✓ *Social pillar: examination of the company's exposure to social risks and/or opportunities/specific risks associated with its business sector and policies and, consequently, the strategies implemented to address them (employee training, product safety, etc.).*
- ✓ *Governance pillar: examination of control bodies (level of independence of the board, accounting practices, etc.) and governance practices (anti-corruption policy, etc.).*

*MSCI ESG Research rates companies from CCC to AAA (AAA being the highest score). MSCI ESG Research's rating philosophy is based in part on the materiality of ESG issues, in line with the Master Fund's Management Company's desire to incorporate ESG issues into its convexity analyses. The research conducted by MSCI ESG Research is based on public data. In particular, it relies on:*

- *Macroeconomic and sector data published by States, NGOs, and academic institutions,*
- *Data collected directly from publications of the examined companies: annual reports, CSR reports, etc.*
- *In summary, for each identified key ESG issue (between 3 and 8 depending on the industry) by sector:*
- *MSCI ESG Research assesses the examined company's exposure to the considered risk (according to its business model, presence in certain countries, etc.) and the policies and actions implemented to control it;*
- *Similarly, if this is an opportunity, within the sector in question, MSCI ESG Research examines the company's exposure to the considered opportunity and the initiatives put in place to address it.*

*Ratings are awarded sector by sector using a best-in-class approach, as defined below:*

- *The ratings awarded for each key issue are added up and weighted according to their importance within the sector in question to obtain an absolute overall score (from 0 to 10/10).*
- *MSCI ESG Research's analysts then distribute the ratings across the examined sectors (from*

CCC to AAA). The awarded ratings are relative within each covered sector.

The best-in-class approach favors the best rated companies from a non-financial point of view within their industry, without favoring or excluding a sector.

In their rating work, MSCI ESG Research's analysts incorporate any controversies to which the companies are exposed. ESG ratings are reviewed at least annually and may be revised on an ad hoc basis to reflect a controversy.

It is possible to assume that the non-financial data provider, MSCI ESG Research, faces certain methodological restrictions, which could be, by way of illustration, the following:

- missing or incomplete publication from some companies (for example relating to their capacity to manage their exposure to certain non-financial risks) used as input of the ESG rating model of MSCI ESG Research; this problem possibly mitigated by MSCI ESG Research by using alternative data sources, external to the company, to feed its rating model;
- Problem relating to the quantity and quality of ESG data to be processed by MSCI ESG Research (significant and continuous flow of information to be integrated into the ESG rating model of MSCI ESG Research): this problem is possibly mitigated by MSCI ESG Research by using artificial intelligence technologies and numerous analysts working to transform raw data into relevant information;
- Problem concerning the identification of information and factors relevant for the non-financial analysis of the MSCI ESG Research model, but which is dealt with upstream of the MSCI ESG Research model for each sector (and sometimes each company): MSCI ESG Research uses a quantitative approach validated by the expertise of each sector specialist and the feedback of investors to determine the most relevant non-financial factors for a given sector (or for a particular company if applicable).

The Master Fund's Management Company reserves the right to take the initiative to rate issuers not covered by the research conducted by MSCI ESG Research to which they have access using reliable data sources and a comparable analysis rating table.

## **Step 2 : Process of selecting securities within the eligible investment universe**

In addition to the listed exclusions, the Master Fund's management process combines several approaches:

The selection criteria for equities are as follows:

The management process combines top-down and bottom-up approaches, allowing two sources of added value to be identified:

- The sector allocation is determined by analysis of the macro-economic financial and non-financial environment.
- The selection of securities is based on a fundamental three-stage approach:
  - A quantitative analysis aimed at determining the extent to which the value is attractive by applying ratios appropriate to each industry (enterprise value/capital employed, enterprise value/gross operating result, price-earnings ratio).
  - A qualitative analysis based on an understanding of the competitive parameters, of how profitability is achieved (imbalance between supply/demand, cost advantages, patents, trademarks, regulation, etc.), and
  - A qualitative analysis of ESG criteria: The Sustainable Investment team, financial analysts, and managers are committed to understanding, analysing, and assessing ESG risks and opportunities specific to business sectors and securities. The investment decisions and



portfolio management are based on the Master Fund's Management Company's own financial and non-financial analysis work and on research conducted by MSCI ESG Research. In particular, the Master Fund's Management Company relies on the CSR reports of companies, their discussions with the leaders of companies that they meet, ratings from financial analysts, and NGO reports to best incorporate non-financial criteria into their convexity analyses. If a controversy arises, Rothschild & Co Asset Management teams will endeavour to contact the company within a reasonable time and may need to revise their investment proposition.

The following three sources of added value are used for the fixed-income portfolio:

1) **Duration:** The portfolio's duration increases when a fall in interest rates is anticipated by the manager and vice versa.

2) **Credit risk exposure:** The Master Fund's management process combines top-down and bottom-up approaches, allowing two sources of added value to be identified:

- The sector and geographical allocation is determined on the basis of an analysis of the economic financial and non-financial environment. This analysis leads to identify long-term risks and problems influencing price formation. Particular emphasis is placed on analysis of historical defaults and examination of competitive play;

- The selection of securities is based on a fundamental two-stage approach:

- A quantitative analysis based on the probability of default by:

- using a large amount of public-domain data and statistics for each company;
- comparing this data with those of companies in the same economic sector;
- determining a theoretical value which compares favourably or unfavourably with that of the market.

- A qualitative analysis based on:

- the sector's sustainability;
- study of the competitive parameters;
- an understanding of the balance sheet;
- an appreciation of how profitability is achieved (imbalances in supply and demand, cost advantages, patents, brands, legislation and regulations, etc.);
- an understanding of (balance-sheet and off-balance-sheet) debt maturity ladders;
- determination of the likelihood of intra-sector survival.

- A qualitative analysis of ESG criteria: The ESG and financial analysis team, and the investment management team are committed to understanding, analysing, and assessing ESG risks and opportunities specific to business sectors and securities. The investment decisions and portfolio management are based on the Master Fund's Management Company's own analysis work and on research conducted by MSCI ESG Research. In particular, the Master Fund's Management Company relies on the annual sustainability, impact or CSR reports of companies, their discussions with the leaders of companies that they meet, brokers' notes, NGO reports, specialized academic research papers or open access databases such as the analyses carried out by Science Based target (SBTi), Transition Pathway (TPI) or Carbon Disclosure Project, to best incorporate non-financial criteria into their convexity analyses. If a controversy arises, Rothschild & Co Asset Management teams will endeavour to contact the company within a reasonable time and may need to revise their investment proposition.

3) **Yield curve positioning:** depending on the Master Fund's manager's expectation regarding the flattening or the steepening of the yield curve, securities with short and very long maturities will be favoured over those with a medium-term or other maturities, and conversely.

**For the equity and fixed income components, a qualitative analysis of ESG criteria is carried out:** The ESG and financial analysis teams, as well as the management teams, are committed to understanding, analysing and assessing the ESG risks and opportunities specific to

*the business sectors and securities. Investment decisions and portfolio management are based on our own analyses and on the research of MSCI ESG Research. For investments in credit, we also work with the external data provider Ethifinance on an ad-hoc basis. In particular, we use the annual sustainability and CSR reports of companies, our discussions in meetings with corporate management teams, the specialised ratings of financial analysts, NGO reports, specialised academic research and freely available databases such as the analyses made by the Science Based Targets initiative (SBTi), the Transition Pathway Initiative (TPI) and the Carbon Disclosure Project, to incorporate as much extra-financial criteria as possible into our convexity analyses. If a controversy arises, the teams at Rothschild & Co Asset Management will contact the company within a reasonable timeframe and may revise their investment case.*

*For the analysis of sovereign issuers, the geographic allocation of the portfolios is defined by a primarily top-down approach. In collaboration with the economic research team, the components and growth and inflation prospects are analysed as well as the management of monetary policy by the central bank. The solvency of countries (debt/GDP, net debt, current account and fiscal balances, primary deficit), the size of private-sector debt (households and businesses), the political environment, and the integration of ESG issues are also examined.*

*Sovereign issuers are part of the eligible investment universe, and as such are included in the calculation allowing compliance with the selectivity ratios.*

*The assessment of sovereign issuers is primarily based on government ratings established by the Master Fund's non-financial data provider, MSCI ESG Research, according to the same rating scale as for private issuers, with an overall absolute rating obtained on the basis of non-financial criteria (from 0 to 10/10).*

*To summarize the approach, government ratings are intended to reflect countries' exposure to, and management of, environmental, social and governance risk factors that may affect the long-term sustainability of their economies:*

- ✓ Environment (E): Assess the extent to which a country's long-term competitiveness is affected by its capacity to protect, exploit and supplement its natural resources (energy, water, minerals, agricultural land, etc.), and to manage environmental externalities and weaknesses.*
- ✓ Social (S) : assess the extent to which a country's long-term competitiveness is affected by its ability to maintain a healthy, well-trained and stable active population (basic needs, education systems, access to technology, etc.), to develop human capital based on a solid knowledge base within a framework that promotes its development, and to create a favorable economic environment (access to work: labor laws, market, well-being, etc.).*
- ✓ Governance (G) : assess the extent to which a country's long-term competitiveness is affected by its institutional capacity to support the long-term stability and functioning of its financial, judicial and political systems (quality and stability of institutions, rule of law, individual freedoms, corruption, etc.), and its ability to deal with environmental and social risks.*

*The management company of the Master Fund does not exclusively or automatically use credit ratings issued by rating agencies but undertakes its own in-depth analysis to assess the credit quality of fixed-rate instruments.*

*For the UCI component (including listed UCIs/ETFs), the criteria are as follows: UCITS, AIFs, or investment funds established under foreign law will be selected*

- according to a top-down approach based on asset classes;*
- and according to an ESG approach: consistent with the Master Fund's overall strategy, the selected UCIs (including listed UCIs/ETFs and excluding cash UCIs) have a socially responsible investment strategy that has been certified [or is in the process of being certified]*

*This selection will be done mainly within the Rothschild & Co fund range.*

#### *Selection of derivatives*

*Derivatives are used in accordance with the Master Fund's investment policy.*

*With regard to the use of derivatives for exposure purposes, their use is temporary, particularly in response to a strong movement of liabilities, and concerns ESG underlying assets.*

*The use of derivatives for hedging primarily serves a technical and portfolio adjustment objective (either on a temporary basis or for hedging, to refine the duration of the portfolio for example).*

*For OTC instruments, the ESG quality of counterparties is examined beforehand. The examination of the ESG quality of counterparties relies primarily on the ratings established by the external non-financial research company MSCI ESG Research, which takes the following factors in account in analysing the E, S, and G pillars:*

- ✓ *Environmental pillar: examination of the company's exposure to environmental risks and/or opportunities/specific risks associated with its business sector and policies and, consequently, the strategies implemented to address them (physical risks associated with climate change, waste management, etc.).*
- ✓ *Social pillar: examination of the company's exposure to social risks and/or opportunities/specific risks associated with its business sector and policies and, consequently, the strategies implemented to address them (employee training, product safety, etc.).*
- ✓ *Governance pillar: examination of control bodies (level of independence of the board, accounting practices, etc.) and governance practices (anti-corruption policy, etc.).*

▪ **Use of derivatives:**

*Consistent with its socially responsible strategy, in order to achieve its investment objective, the Master Fund may also use derivatives listed on French or foreign markets or OTC derivatives (interest rate, currency and index swaps, total return swaps, forward forex, futures and options on equity, interest-rate, currency or index and credit default swaps). With this in mind, it hedges its assets against or exposes its assets to economic sectors, geographical regions, currencies, interest-rates, equities, securities and equivalent instruments, and indexes. The Master Fund may use total return swaps (TRS) and credit default swaps (CDS).*

*The portfolio's overall exposure to stock markets, including exposure resulting from the use of derivatives, will never be more than 50%. The portfolio's overall exposure to interest-rate markets, including any off-balance sheet items including exposure resulting from the use of derivatives, is designed to keep the portfolio's modified duration within a range of 2 to 6 with a sensitivity gap target of +/-3.5 relative to the iBoxx Overall Euro.*

*The portfolio's overall exposure to the foreign exchange risk, including exposure resulting from the use of derivatives, will not exceed 50% of the Master Fund's net assets.*

*The percentage of the Master Fund's exposure corresponding to the use of derivatives is up to 110%.*

*Derivatives are used in the construction of the portfolio and in addition to a portfolio mainly invested in direct securities analyzed with regard to ESG criteria.*

*Options:*

*Depending on the Master Fund's manager's expectations about trends in the volatility and prices of underlying instruments, the manager will need to sell or buy options on equity, fixed-income, and forex markets. For example, if a sharp market increase is anticipated, the manager may buy calls; if it is anticipated that the market will grow slowly and that implied volatility is high, the manager may sell puts. Conversely, if a sharp market decrease is anticipated, the manager will buy puts. Lastly, if it appears that the market cannot grow any further, the manager will sell calls. The Master Fund's manager may combine these various strategies.*

*Credit derivatives:*

*The credit allocation is determined at the discretion of the Master Fund's manager.*

*The credit derivatives used are baskets of CDS and CDS on a single issuer.*

*These credit derivatives are used for hedging purposes through the purchase of protection:*

- in order to limit the risk of capital loss on certain issuers (present in the portfolio)
- in order to benefit from the anticipated deterioration of the credit quality of an issuer or a basket of issuers not present in the portfolio greater than that of an exposure presented in the portfolio.

and for exposure, through the sale of protection, to:

- the credit risk of an issuer
- the credit risk on baskets of CDS

Overexposure through the use of credit derivatives shall not exceed 100% of the fund's assets.

**Total Return Swaps:**

The Master Fund may use total return swaps for up to 100% of its net assets. The aim of these derivatives is to trade on the performance of a security, a basket of securities or an index.

Derivatives will be used primarily to:

- synthetically reconstruct the portfolio's exposure to the bond market;
- partially hedge the assets in the portfolio against interest rate and credit risk.

The use of derivatives will not affect the quality of the portfolio from an ESG standpoint :

- The ESG analysis coverage ratio (90%) will be respected for the entire portfolio including with respect to derivatives used for investment and hedging purposes.
- For derivatives used for investment purposes, the Manager of the Master Fund will use derivatives on ESG-certified indices or single name indices that have been subject to an ESG analysis, or basket derivatives whose underlying assets have been analyzed from an ESG perspective.
- For all OTC instruments (including TRS), the counterparty will be subject to an ESG analysis.
- The use of TRS is in line with the objective of hedging at least 90% of the portfolio in non-financial analysis.
- The selectivity ratio (elimination of the 20% lowest rated ESG underlyings and exclusions relating to controversial sectors) will be respected for securities as well as for derivative instruments.

**Information related to counterparties of over-the-counter derivatives:**

Counterparties, which may or may not be a credit institution, shall be selected in accordance with the procedure in force within the Rothschild & Co Group, based on the principle of selectivity as part of an ad hoc internal process. The ESG quality of counterparties is examined in advance. The Management Company may regularly select the Custodian as its counterparty for OTC exchange derivatives.

In particular, this involves:

- a validation of the counterparties at the end of this internal selection process, which takes into account criteria such as the nature of the activities, expertise, reputation, etc.
- a limited number of financial institutions with which the Master Fund trades.

These counterparties have no discretionary decision-making power over the composition or management of the investment portfolio of the Master Fund, the underlying asset of derivatives, and/or the composition of the index as part of index swaps.

▪ **Securities incorporating derivatives:**

The use of securities incorporating derivatives is capped at 100% of the net assets. This limit includes the use of (i) warrants, (ii) callable and puttable bonds including make-whole calls (bonds that can be redeemed at any time by the issuer, at an amount including both the nominal amount and the coupons that the holder would have received if the security had been redeemed at maturity) (up to 100% of net assets), (iii) convertible bonds (up to 10% of net assets), (iv) contingent convertible bonds (up to 10% of net assets), as well as securities with simple embedded derivatives with risks similar to those of the instruments listed above.

▪ **Use of Benchmark:**

The Master Fund is not an index-based UCITS. The Master Fund is actively managed, its

composition may deviate significantly from the weightings and components of its indicative benchmark. Further details on the indicative benchmark are included under section Indicative Benchmark Index below.

▪ **Term Deposits:**

The Master-Fund may invest up to 10% of its assets in deposits with a term less than or equal to three months, so as to provide a return on the Master-Fund's liquid assets.

▪ **Cash Borrowings:**

The Master-Fund may borrow up to 10% of its assets, primarily in order to handle the deferred payment procedures related to investor subscriptions and redemptions of the Master-Fund's shares.

▪ **Information about the financial guarantees:**

As part of transactions on OTC derivatives, the Master Fund may receive securities (such as bonds or securities issued or guaranteed by a State or issued by international lending agencies and bonds or securities issued by good quality private issuers) or cash as collateral. There is no correlation policy insofar as the Master Fund will receive mainly government securities of the eurozone and/or cash as collateral.

Cash received as collateral is reinvested in accordance with the applicable rules.

All of these assets must be issued by high-quality, liquid, low-volatility, diversified issuers that are not an entity of the counterparty or its group.

Discounts may be applied to the collateral received; they shall take into account, in particular, the credit quality and the volatility of the prices of the securities. The valuation is performed at least on a daily basis.

Financial guarantees received must be able to give rise to a full execution by the Master Fund at any time and without consultation or approval of the counterparty.

Financial guarantees other than in cash must not be sold, reinvested, or pledged.

Financial guarantees received in cash must only be:

- placed in deposit accounts;
- invested in high-quality government bonds;
- used for the purposes of reverse repurchase transactions, provided that these transactions are concluded with credit institutions subject to prudential supervision and that the UCI can, at any time, recall the total amount of cash at any time, taking into account the accrued interest;
- invested in money market UCIs.

▪ **Sustainability:**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosure in the financial services sector as amended (SFDR), governs the transparency requirements regarding the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of Environment, Social, and Governance (ESG) and sustainability-related information.

Sustainability risk means the occurrence of an ESG event or condition that could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk-adjusted returns for investors. The assessment of sustainability risks is complex and may be based on ESG data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when

identified, there can be no guarantee that such data will be correctly assessed.

*The Management Company of the Master Fund integrates sustainability risks and opportunities into its research, analysis and investment decision-making processes in order to enhance its ability to manage risk more comprehensively and generate long-term sustainable returns for investors.*

*The Master Fund promotes certain environmental and social characteristics within the meaning of article 8 of SFDR and good governance practices. Sustainability risks are integrated into investment decisions as set out in the non-financial criteria detailed above and also through exclusion policies, non-financial rating of the portfolio, commitment policy, ESG controls in place and compliance with Rothschild & Co's coal policy.*

*In accordance with Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy), the "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities, which represent a minimum alignment commitment of 0% of investments.*

*The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*The Investment Manager company takes into account the adverse impacts of investment decisions on sustainability factors, and specifies, in a transparent and pragmatic way, how this product considers them in its negative impact reporting policy.*

*Investments will follow the Investment Manager's policies on ESG policy and Principal Adverse Impacts available at <https://am.fr.rothschildandco.com/en/responsible-investing/documentation/>.*

The reference currency of the Sub-Fund is the EUR.

The recommended investment horizon is over 3 years.

## Indicative Benchmark Index

The Master Fund's indicative benchmark is composed of 55% Iboxx Overall Euro, net coupons reinvested (QW7A) + capitalised 15% Ester (OISESTR) + 30% Stoxx Europe 600, net dividend reinvested (SXXR).

The **iBoxx Euro Overall All Maturities Index (QW7A)** is representative of the universe of investment-grade bonds issued in euros. The index consists of four kinds of bonds: sovereign, agency, mortgage and credit and is calculated net coupons reinvested. This index is calculated by IHS Markit Benchmark Administration Limited and is available on the website <http://www.ihsmarkit.com>. Following the UK's departure from the EU, IHS Markit Benchmark Administration Limited is no longer listed on the ESMA register of benchmark administrators. Transitional provisions following Brexit authorize the continued use of benchmarks administered by index administrators based in the UK and authorized by the UK Financial Conduct Authority as a non-EU based administrator during a transitional period.

The **Stoxx 600® DR (C) Index** (Bloomberg Code: SXXR Index) comprises the 600 leading European capitalisations. It is calculated in euros with net dividends reinvested. This index, calculated by Stoxx Limited, is available on the website [www.stoxx.com](http://www.stoxx.com). Stoxx Ltd is listed on the ESMA Register of benchmark administrators.

The **Ester/€STR (OISESTR)** (Euro Short Term Rate) is a euro short-term rate developed by the ECB based on data collected on the money market by the Eurosystem for statistical purposes. The €STR rate reflects the wholesale euro unsecured overnight borrowing costs of banks located in the eurozone. It supplements existing private-sector reference rates serving as a support reference rate and will gradually replace the EONIA.

The administrator of the ESTER is exempt from article 2.2 of the benchmark regulation as a central bank and is therefore not entered on the Register of administrators and benchmarks maintained by the ESMA.

The Management Company has and maintains a procedure setting out the actions to be taken should any of the indices used as benchmark materially change or cease to be provided. This procedure is available upon request at the Management Company's registered office.

## Risk Profile

The specific risks of investing in the Sub-Fund are linked to:

- **Risks associated with the feeder nature of the Sub-Fund:**

Given the feeder nature of the Sub-Fund, it will naturally be concentrated in the Master Fund. Therefore, concentration risks and market risks will mainly occur at the level of the Master Fund.

The Net Asset Value of the Sub-Fund will mainly depend on the net asset value of the Master Fund. Consequently, the Net Asset Value per Share may be determined only after the net asset value of the Master Fund has been determined. The determination of the Net Asset Value per Share may be suspended upon a suspension of the calculation of the net asset value per share of the Master Fund or any other suspension or deferral of the issue, redemption and/or exchange of share in the Master Fund.

The Sub-Fund will be exposed to liquidity and valuation risks due to its investment in the Master Fund.

- **Risks factors relating to the Master Fund's investment policy:**

**Credit risk:** Funds investing in debt securities issued by a public, corporate, bank or sovereign organization are exposed to the possibility that this issuer will not be able to reimburse debt holders (principal and interest payment). In addition, if after acquisition the perceived risk of failure increases, the value of such securities is likely to decrease.

**Changing interest rates risk:** The market value of fixed income securities may rise or fall inversely with changes in interest rates. Interest rate involves the risk that, when interest rates increase, the market-value of fixed-income securities tends to decline.

**Risk linked to non-financial criteria (ESG):** The consideration of sustainability risks and ESG criteria in the investment process relies on the use of non-financial criteria. Their application may lead to the exclusion of issuers and the loss of certain market opportunities. Consequently, fund performance may be higher or lower than that of a fund that does not take these criteria into account. ESG data, whether from internal or external sources, is based on valuations without strict market standards. This leaves room for a degree of subjectivity that can result in an issuer rating that differs significantly from one provider to another. In addition, ESG criteria may be incomplete or inaccurate. There is a risk of incorrect rating of a security or issuer. These different aspects make it difficult to compare strategies incorporating ESG criteria.

**Sustainability risk:** The occurrence of an ESG event or condition that could, if it occurs, potentially or actually cause a material negative impact on the value of the Sub-Fund's investment. The occurrence of such an event or condition may also lead to a change in the investment strategy of the Sub-fund, including the exclusion of certain issuers' securities. Specifically, the negative impacts of sustainability risks may affect issuers through a variety of mechanisms, including: 1) lower revenues; 2) higher costs; 3) damage or depreciation of asset values; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase over the longer term.

**Equity risk:** Shares' prices on equity markets may fluctuate namely pursuant to investor's expectations or anticipations, causing high potential volatility risk. Volatility on equity markets has historically been much greater than the volatility of fixed income markets.

**Derivative risk:** Funds may enter into listed and unlisted derivative instruments in order to have an exposure to underlying assets or to protect their direct assets. These instruments are volatile and may be subject to various types of risks, including but not limited to market risk, liquidity risk, credit risk,

counterparty risk, legal and operations risks. These derivative instruments may cause the Funds to have higher market exposure than they would have otherwise, which may in some case increase losses.

**Counterparty risks:** Unlisted derivative instruments are agreed with a specific counterparty. If the counterparty goes into liquidation, defaults, or fails to meet payment obligations when due, Fund could suffer a loss. Because they are not listed, these derivatives can be difficult to price.

**Foreign exchange/currency risks:** The Master Fund is invested in securities denominated in a number of different currencies other than its reference currency. Changes in foreign currency exchange rates will affect the value of some securities and bring additional volatility.

**Risk link to the use of complex subordinated bonds (convertible contingent bonds, also known as “CoCos”):** A debt is called subordinated when its repayment depends on the initial repayment of other creditors. As such, the subordinated creditor shall be repaid after the ordinary creditors, but before the shareholders. In consideration of this risk premium, the interest rate on this type of debt is higher than that of others. CoCos present specific risks related to the possibility of cancellation or suspension of their coupon, total or partial reduction of their value, or their conversion into equities. These conditions may be triggered, in whole or in part, when the issuer’s level of equity falls below the trigger threshold of the contingent convertible bond. The occurrence of any of these risks may result in a decrease in the Fund’s net asset value.

For a complete description about risks, please refer to the prospectus of the Master Fund and also the general part of the Prospectus, chapter entitled "General Risk Considerations" below. This chapter also describes the other risks linked to an investment into the Sub-Fund.

The risks of the Sub-Fund are managed through the use of the "Commitment Approach" method described under "Use of Derivative, Special Investment and hedging Techniques"- "Global Risk Exposure".

## Typical Investor Profile

An investment in any Share Class of the Sub-Fund is suitable for institutional or retail investors who:

- are looking for a diversified investment vehicle (allowing exposure to fixed-income, convertible products and/or equity products, depending on market opportunities, and having a SRI approach)
- can afford to set aside capital for at least 3 years.

## Charges for this Sub-Fund

### ▪ Indirect charges:

Management Fees of the Master Fund: 0.55% per annum of the net assets. The Master Fund will also incur turnover fees (*commissions de mouvement*).

The initial charge and the redemption charge are waived for the Sub-Fund.

The Sub-Fund will invest in class P or class MF shares of the Master Fund, or any other share class with lower management fees.



▪ **Direct charges:**

Share class	Maximum sales charge	Maximum redemption charge	Maximum Total Expense Ratio
C EUR	Up to 3%	None	Up to 0.52%
D EUR	Up to 3%	None	Up to 0.52%
P EUR	Up to 3%	None	Up to 0.27%
PB EUR	Up to 3%	None	Up to 0.27%

### Practical Information

This Sub-Fund is subject to specific tax treatment in Luxembourg (please refer to the Section entitled "Taxation" below). Depending on your own country of residence, this might have an impact on your investment. For further details, please speak to an adviser.

As the Master Fund is not established in the same Member State as the feeder Sub-Fund, this could have an impact on the tax treatment of the feeder Sub-Fund.

Date of creation of the Sub-Fund: 10 December 2014.

Valuation frequency: each Bank Business Day will be a Valuation Day.

With respect to this Sub-Fund, a Bank Business Day is defined as any full day on which banks and stock exchanges are open for normal banking business in Luxembourg and in France.

Any requests for subscription, redemption or conversion of Shares must be received by the Sub-Fund in Luxembourg no later than 10:30 a.m. (CET) on any Bank Business Day in order to be processed as of the relevant Valuation Day. If the request is received after 10:30 a.m. (CET), it will be processed as of the immediately following Valuation Day. The Payment of the Subscription Price must be made within 2 Bank Business Days of the Valuation Day. The payment of the Redemption Price in respect of the redeemed Shares will take place within 2 Bank Business Days following the Valuation Day.

The Sub-Fund may issue the following shares in registered form only. The issuance of fractions of Shares to a maximum of four decimal places is permitted.

Share Class	ISIN	Type of investors	Currency	Minimum initial Subscription Requirement*	Fractional Shares	Dividend Policy
C EUR	LU1147740069	All investors	Euro	€2,500	yes	Capitalization
D EUR	LU1147740143	All investors	Euro	€2,500	yes	Distribution***
P EUR	LU1147740226	reserved for investors subscribing through distributors and intermediaries subject to the conditions below **	Euro	€5,000	yes	Capitalization
PB EUR	LU1147740499	reserved for investors subscribing through distributors and intermediaries subject to the conditions below **	Euro	€5,000	yes	Distribution***

\* The Board of Directors reserves the right to waive these minimum initial subscription requirements.

\*\* Class P and PB Shares are reserved for investors subscribing through distributors and intermediaries

who (i) are subject to local regulations prohibiting distributors from receiving trailer fees (e.g. United Kingdom and the Netherlands) or (ii) provide independent advice (as defined under Mifid II European Regulation) or individual portfolio management (mandate). Class P and PB Shares are meant to comply with the restrictions on the payment of commissions set-out under the FCA Handbook in relation to Retail Distribution Review.

\*\*\* For D and PB Shares, an annual distribution of all income received, net of remunerations, commissions and charges, will be applied.

The Sub-Fund's shares are currently not listed on the Luxembourg Stock Exchange or any other stock exchange.

The relevant KID indicates where information on the historical performance of the Sub-Fund is available. The information on the portfolio of the Sub-Fund is disclosed in the annual and semi-annual reports of the SICAV. Additional information about the Sub-Fund (including full prospectus, KID and reports) may be obtained free of charge at the Registered Office of the Management Company and of the Administrative Agent. Notices to Shareholders may be published on the Management Company's website at <https://www.lu.rothschildandco.com/> under Asset Management. Additional information about the Master Fund (including full prospectus, KID and reports) may be obtained at <https://am.eu.rothschildandco.com>.

## APPENDIX: RMM LUX BDL EUROPEAN EQUITY ALPHA

<b>Name of the Sub-Fund</b>	<b>RMM Lux BDL European Equity Alpha</b>
<b>Management Company</b>	<b>Rothschild &amp; Co Investment Managers</b>
<b>Investment Manager</b>	<b>Alma Capital Investment Management</b>
<b>Delegate Investment Manager</b>	<b>BDL Capital Management</b>

### Objectives and Investment Policy

#### Investment objective:

The investment objective of RMM Lux BDL European Equity Alpha (the "Sub-Fund") is to aim to achieve an absolute performance by implementing a long/short investment strategy.

#### Investment policy:

To achieve its investment objective, the Sub-Fund will be actively managed through long and short positions on equity markets. Investment decisions are based on fundamental research, according to the Investment Manager's expectations of the growth model of target companies.

In particular, the Sub-Fund may invest up to 100% of its total net assets in equity securities of European companies (meaning from the European Union, the United Kingdom, Switzerland and Norway) having a market capitalization or a revenue of at least one billion Euros at the time of the acquisition. The Sub-Fund may invest up to 10% of its total net assets in non-European equities traded on exchanges in member states of the OECD or in companies having less than one billion Euros of revenue or market capitalization.

To implement its short investment strategy, the Sub-Fund may use financial derivative instruments such as equity index futures and forward, equity index swaps and/or contracts for difference within the limit set forth in the Chapter "Use of Derivative, Special Investment and hedging techniques" of this Prospectus and any applicable legal provisions.

The Sub-Fund may invest up to 10 % of its total net assets in UCITS.

On an ancillary basis, the Sub-Fund may invest in money market instruments including but not limited to treasury bills and commercial paper.

Under certain exceptional market conditions, the Fund may hold ancillary liquid assets and/or money market instruments, if the Delegate Investment Manager believes that it would be in the best interest of the Fund and its Shareholders. When the Fund is pursuing a defensive strategy, it will not be pursuing its investment objective.

#### ▪ Use of Derivatives:

The Sub-Fund may use financial derivative instruments such as equity index futures and forward, equity swaps and/or contracts for difference for hedging and exposure purposes (in order to increase within its long investment strategy or reduce within its short investment strategy the Sub-Fund's exposure to equities), as well as foreign exchange spot and forward solely for hedging purposes, within the limit set forth in the Chapter "Use of Derivative, Special Investment and hedging techniques" of this Prospectus and any applicable legal provisions.

The Sub-Fund's global exposure through derivatives instruments shall not exceed 100% of its total net assets.

The Sub-Fund's net exposure could range between -20% and 100%. The gross exposure (long and short exposure) will be no more than 200% of net assets.

For the time being, the Sub-Fund does not use TRS. The Sub-Fund reserves the right to use TRS in the

future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

▪ **Use of SFT:**

For the time being, the Sub-Fund does not use SFT. The Sub-Fund reserves the right to use SFT in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

▪ **Use of Benchmark:**

The Sub-Fund is actively managed on a discretionary basis. The Sub-Fund is not managed with reference to a Benchmark index.

▪ **Term Deposits:**

The Sub-Fund may invest up to 100% of its assets in deposits with a term less than or equal to three months.

▪ **Cash Borrowings:**

The Sub-Fund may borrow up to 10% of its assets on a temporary basis, primarily in order to handle the deferred payment procedures related to investor subscriptions and redemptions of the Sub-Fund's shares.

▪ **Reference currency:**

The reference currency of the Sub-Fund is the EUR.

▪ **Investment horizon:**

The recommended investment horizon is 3 to 5 years.

▪ **Non-financial criteria:**

The investment universe of the portfolio is composed of companies with a market capitalization or revenue over €1 billion listed on the stock exchanges of EU countries, Switzerland, Norway and the United Kingdom. The securities within the portfolio's investment universe are subject to a prior analysis of their profile with regards to Environmental, Social and Governance (ESG) criteria. The positive contribution of ESG criteria may be taken into account in investment decisions but is not a determining factor.

The proportion of positions analyzed on the basis of non-financial criteria will be higher than:

- i. 90% of issuers with a capitalization of more than €10 billion and having their registered offices located in developed countries
- ii. 75% of issuers with a capitalization of less than €10 billion.

The rating of the portfolio, in terms of non-financial criteria, is higher than the rating of the initial investment universe.

The non-financial ratings are primarily sourced from an external non-financial research data provider, which applies a methodology with a rating out of 100 (100 being the highest rating).

Ratings are assigned sector by sector using a best effort approach. This approach favors companies that have made the biggest sustainability development effort within their sector of activity, without favoring or excluding any sector.

The Delegate Investment Manager reserves the right to rate issuers not covered by the external non-financial research data provider to which we have access using reliable data sources and a comparable analysis grid. More information on the ESG rating methodology of BDL Capital Management at

<https://www.bdlcm.com/notre-approche-esg>.

The Delegated Investment Manager maintains an exclusionary list of companies having a substantial part of their revenues generated by the production or distribution of -but not limited to- weapons, tobacco, coal or pornography, please refer to the ESG policy of BDL Capital Management available at <https://www.bdlcm.com/politique-investissement-durable> for further details and thresholds.

In order to measure each company long term sustainability effort but also reference any controversy surrounding it, the Delegated Investment Manager currently uses a third party ESG analytics provider and may complete it with his internal ESG scoring methodology based on his own questionnaire, process and database.

A high controversy level would escalate into a direct dialogue with the company management and potentially subsequent exclusion from the portfolio.

In accordance with Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy), the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

- **Sustainability:**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosure in the financial services sector as amended (SFDR), governs the transparency requirements regarding the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of Environment, Social, and Governance (ESG) and sustainability-related information.

Sustainability risk means the occurrence of an ESG event or condition that could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk-adjusted returns for investors. The assessment of sustainability risks is complex and may be based on ESG data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that such data will be correctly assessed.

The Management Company and the Delegate Investment Manager integrate sustainability risks and opportunities into their research, analysis and investment decision-making processes in order to enhance their ability to manage risk more comprehensively and generate long-term sustainable returns for investors.

The Sub-Fund promotes certain environmental and social characteristics within the meaning of article 8 of SFDR and good governance practices. Sustainability risks are integrated into investment decisions as set out in the non-financial criteria detailed above and also through exclusion policies, non-financial rating of the portfolio, commitment policy, ESG controls in place and compliance with Rothschild & Co's coal policy.

Investments will follow the ESG policy available at <http://www.bdlcm.com/politique-investissement-durable>

## **Risk Profile**

The specific risks of investing in the Sub-Fund are linked to:

**Equity risk:** Shares' prices on equity markets may fluctuate namely pursuant to investor's expectations or anticipations, causing high potential volatility risk. Volatility on equity markets has historically been much greater than the volatility of fixed income markets.

**Risk linked to Mid-Capitalization Companies:** Investments in small and mid-capitalization companies may involve greater risks than investments in larger companies. As a result of trading less frequently than large stocks, stocks of small and mid-size companies may be subject to wider price fluctuations and may be less liquid.

**Derivative:** Funds may enter into listed and unlisted derivative instruments in order to have an exposure to underlying assets or to protect their direct assets. These instruments are volatile and may be subject to various types of risks, including but not limited to market risk, liquidity risk, credit risk, counterparty risk, legal and operations risks. These derivative instruments may cause the Funds to have higher market exposure than they would have otherwise, which may in some case increase losses.

**Counterparty risks:** Unlisted derivative instruments are agreed with a specific counterparty. If the counterparty goes into liquidation, defaults, or fails to meet payment obligations when due, Fund could suffer a loss. Because they are not listed, these derivatives can be difficult to price.

**Risk linked to non-financial criteria (ESG):** The consideration of sustainability risks and ESG criteria in the investment process relies on the use of non-financial criteria. Their application may lead to the exclusion of issuers and the loss of certain market opportunities. Consequently, fund performance may be higher or lower than that of a fund that does not take these criteria into account. ESG data, whether from internal or external sources, is based on valuations without strict market standards. This leaves room for a degree of subjectivity that can result in an issuer rating that differs significantly from one provider to another. In addition, ESG criteria may be incomplete or inaccurate. There is a risk of incorrect rating of a security or issuer. These different aspects make it difficult to compare strategies incorporating ESG criteria.

**Sustainability risk:** The occurrence of an ESG event or condition that could, if it occurs, potentially or actually cause a material negative impact on the value of the Sub-Fund's investment. The occurrence of such an event or condition may also lead to a change in the investment strategy of the Sub-fund, including the exclusion of certain issuers' securities. Specifically, the negative impacts of sustainability risks may affect issuers through a variety of mechanisms, including: 1) lower revenues; 2) higher costs; 3) damage or depreciation of asset values; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase over the longer term.

**Foreign exchange/currency risks:** When Funds invest in securities denominated in a number of different currencies other than their reference currency, changes in foreign currency exchange rates will affect the value of some securities and bring additional volatility.

**Credit risk:** Funds investing in debt securities issued by a public, corporate, bank or sovereign organization are exposed to the possibility that this issuer will not be able to reimburse debt holders (principal and interest payment). In addition, if after acquisition the perceived risk of failure increases, the value of such securities is likely to decrease.

**Changing interest rates risk:** The market value of fixed income securities may rise or fall inversely with changes in interest rates. Interest rate involves the risk that, when interest rates increase, the market-value of fixed-income securities tends to decline.

For a complete description about risks, please refer to the general part of the Prospectus, chapter entitled "General Risk Considerations" below. This chapter also describes the other risks linked to an investment into the Sub-Fund.

The risks of the Sub-Fund are managed through the use of the "Commitment Approach" method described under "Use of Derivative, Special Investment and hedging Techniques"- "Global Risk Exposure".

## Typical Investor Profile

An investment in any Share Class of the Sub-Fund is suitable for institutional or retail investors who:

- can afford to set aside capital for at least 3 to 5 years;
- can accept temporary losses; and
- can tolerate important volatility.

## Charges for this Sub-Fund

Share class	Maximum sales charge	Maximum redemption charge	Maximum Total Expense Ratio
C EUR	Up to 5%	None	Up to 2.25%
I EUR	Up to 5%	None	Up to 1.50%

▪ **Performance Fee:**

In addition, the Delegate Investment Manager will receive a 20% performance fee (the “**Performance Fee**”) of New Net Appreciation (as defined below) attributable to each Share Class as of the end of the relevant Calculation Period (as defined below).

The Performance Fee calculation is based on a High Watermark model, which means that a Performance Fee may only be charged if the new High Watermark (as defined below) exceeds the last High Watermark. There is no reset of the High Watermark, it is reviewed over the performance reference period which is equal to the whole life of the Sub-Fund.

“**New Net Appreciation**” shall mean the NAV of each Share Class in excess of the Aggregated Hurdle Amount (as defined below) and the High Watermark (as defined below).

The “**Calculation Period**” for the purposes of calculating the Performance Fee of a Share Class will commence on the day of the first NAV for that Class or on the most recent 1 January following a positive New Net Appreciation for the previous 31 December. The Calculation Period will end on:

- the close of business on 31 December; or
- in respect of Shares which are redeemed, the Dealing Day on which such Shares are being redeemed; or
- in the event of the termination of the Delegate Investment Manager, the date of termination of the Investment Management Agreement; or
- in the event that the Company or the Fund may be liquidated or cease trading, such date as may be determined by the Directors.

“**High Watermark**” means, for each relevant Share Class, the highest NAV attained by that Share Class over the performance reference period (i.e. the whole life of the Sub-Fund) being either the (i) inception NAV; or (ii) the NAV on any subsequent December 31st in relation to which a Performance Fee was crystallised and paid. When a subscription is made, the High Watermark is adjusted upwards by the amount of the subscription for that Share Class, when a redemption is made, the High Watermark is adjusted downwards by the amount of the change in NAV for that Share Class and when a distribution is made, the High Watermark is adjusted downwards by the amount of the distribution for that Share Class.

“**Aggregated Hurdle Amount**” shall mean the sum of the Hurdle Amount (as defined below) for the Calculation Period.

“**Hurdle Amount**” shall mean the Daily Hurdle Rate (as defined below) multiplied by the High Watermark.

“**Daily Hurdle Rate**” for each day of the Calculation Period means the higher of zero (0) or the (ESTER+0,085%) Index Average (“ESTER<sup>1</sup>”) as at 3pm London time on 31st December in the preceding year, divided by 365.

Performance Fees are calculated net of costs (i.e. net of Total Expense Ratio, as defined in this Prospectus).

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<sup>1</sup> The Ester/€STR (OISESTR) (Euro Short Term Rate) is a euro short-term rate developed by the ECB based on data collected on the money market by the Eurosystem for statistical purposes. The €STR rate reflects the wholesale euro unsecured overnight borrowing costs of banks located in the eurozone. It supplements existing private-sector reference rates serving as a support reference rate and will gradually replace the EONIA. The administrator of the ESTER is exempt from article 2.2 of the benchmark regulation as a central bank and is therefore not entered on the Register of administrators and benchmarks maintained by the ESMA.

Performance Fees are calculated and accrued on each Valuation Date. The Performance Fee is payable to the Management Company in arrears at the end of each Calculation Period within 30 working days. However, in the case of shares redeemed during a Calculation Period, the Performance Fee in respect of those shares will be calculated pro rata and will be crystallized and paid each month at the same time as the management fee as from the Valuation Date applicable to that redemption. Likewise, if the Sub-Fund is terminated before the end of a Calculation Period, the Performance Fee for the relevant Calculation Period will be calculated and paid at the end of the termination date.

In the event of underperformance, an amount not exceeding the balance available is released from the provision. This provision for Performance Fees definitively accrues to the Investment Manager at the end of every year.

#### **Example of Performance Fee calculation**

The calculations shown below are for illustrative purposes only.

Please note that in order to facilitate the demonstration, we have used the same rate of (ESTER+0,085%) throughout the examples shown below and considered that there were and no subscriptions in, or redemptions from, the Sub-Fund during these periods.

The table below describes the conditions which must be met before any Performance Fees may be calculated and charged:

Performance Generated over the period	Above Hurdle Rate	Above High-Water Mark	Performance Fees Charged
Yes	Yes	Yes	20% of New Net Appreciation*
Yes	Yes	No	Nil as one condition is not met
Yes	No	Yes	Nil as one condition is not met
No	Yes	Yes	Nil as one condition is not met

\* New Net Appreciation as defined above

#### **Example of Performance Fee calculation for Share Class C EUR:**

Where:

<b>NAVps</b>	refers to the Net Asset Value per Share, the NAVps is net of all costs including Performance Fees
<b>Semi-Gross NAVps</b>	refers to the NAVps at the end of the year net of costs (but before Performance Fees) meaning that the TER and other fixed fees have been deducted from the NAVps at the end of the year
<b>NNAps</b>	refers to New Net Appreciation per share, as defined above, and calculated roughly as follows: $(\text{Semi-Gross NAVps} - \text{AHA} - \text{HWM})/\text{HWM}$
<b>AHA</b>	refers to the Aggregated Hurdle Amount, as defined above. We have used a negative rate of (ESTER+0,085%) at -0,47% p.a., so the AHA is floored at zero
<b>HWM</b>	refers to the High Watermark, as defined above
<b>Net Performance</b>	refers to the performance of the sub-fund net of costs before Performance Fees.

<b>Year One</b>	<p>NAVps at the beginning of the year = 100€            (ESTER+0,085%) = -0,47% p.a. so floored to zero            HWM = NAVps at the beginning of the year = 100€            NNAps = 10%</p> <p>Performance fee charged at year end will be 20% of Net New Appreciation per share, i.e.:  <math>20\% \times 10\% = 2.0\%</math>.</p>
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	The HWM* is now the NAVps at the end of the year One (circa 108€).
<b>Year Two</b>	<p>NAVps at the beginning of year Two = HWM = 108€ Semi-Gross NAVps at the end of the year two = 99€</p> <p><b>No performance fee charged at year end, as there was no performance generated over the period.</b></p> <p>The HWM* remains the NAVps at the end of the year One.</p>
<b>Year Three</b>	<p>NAVps at the beginning of year Three = 99€ (ESTER+0,085%) = -0,47% p.a. so floored to zero HWM = 108€ Semi-Gross NAVps at the end of year Three = 111.24€ NNAs = 111.24 / 108 - 1 = 3% Performance fee charged at year end will be 20% of Net New Appreciation, i.e.: 20% x 3% = 0.60%.</p> <p>The HWM* is now the NAVps at the end of the year Three (circa 110,6€).</p>
<b>Year Four</b>	<p>NAVps at the beginning of year Two = HWM = 110.6€ Semi-Gross NAVps at the end of the year two = 109€</p> <p><b>No performance fee charged at year end, as there was no performance generated over the period.</b></p> <p>The HWM* remains the NAVps at the end of the year Three.</p>
<b>Year Five</b>	<p>NAVps at the beginning of year Three = 109€ (ESTER+0,085%) = -0,47% p.a. so floored to zero HWM = 110.6€ Semi-Gross NAVps at the end of year Three = 113.05€ NNAs = 113.05 / 110.6 - 1 = 2.2% Performance fee charged at year end will be 20% of Net New Appreciation, i.e.: 20% x 2.2% = 0.0044%.</p> <p>The HWM* is now the NAVps at the end of the year Three (circa 112.56€).</p>
<p>(*) For the purposes of this demonstration, and to provide simple examples, we have considered that there are no subscription or redemption over the period. If there had been subscriptions and redemptions over the period, the HWM would have been adjusted respectively upward or downward (as detailed above under the High Watermark definition) at the time of such subscription or redemption.</p>	

## Practical Information

This Sub-Fund is subject to specific tax treatment in Luxembourg (please refer to the Section entitled "Taxation" below"). Depending on your own country of residence, this might have an impact on your investment. For further details, please speak to an adviser.

Date of creation of the Sub-Fund: 27 February 2018

Valuation Day and frequency: weekly on Wednesdays. If any Valuation Day falls on a day that is not a Bank Business Day, the Net Asset Value of the Sub-Fund shall be calculated on the immediately following Bank Business Day.

For the purpose of calculating of Performance Fee, a technical NAV may be calculated where the close

of the Calculation Period does not fall on a Valuation Day.

With respect to this Sub-Fund, a Bank Business Day is defined as any full day on which banks and stock exchanges are open for normal banking business in Luxembourg and in France.

Any requests for subscription, redemption or conversion of Shares must be received by the Sub-Fund in Luxembourg no later than 2:00 p.m. (CET) on any Bank Business Day (D-1) preceding the relevant Valuation Day (D). If the request is received after 2:00 p.m. (CET), it will be processed as of the immediately following Valuation Day. The Payment of the Subscription Price must be made within 2 Bank Business Days of the Valuation Day (D+2). The payment of the Redemption Price in respect of the redeemed Shares will take place within 2 Bank Business Days following the Valuation Day (D+2).

The Sub-Fund may issue the following shares in registered form only. The issuance of fractions of Shares to a maximum of four decimal places is permitted.

Share Class	ISIN	Type of investors	Currency	Minimum initial Subscription Requirement*	Fractional Shares	Dividend Policy
C EUR	LU1734559765	All investors	Euro	€2,500	yes	Capitalization
I EUR	LU1734559922	Institutional investors	Euro	€5,000,000	yes	Capitalization

\* The Board of Directors reserves the right to waive these minimum initial subscription requirements.

The Sub-Fund's shares are currently not listed on the Luxembourg Stock Exchange or any other stock exchange.

The relevant KID indicates where information on the historical performance of the Sub-Fund is available. The information on the portfolio of the Sub-Fund is disclosed in the annual and semi-annual reports of the SICAV. Additional information about the Sub-Fund (including full prospectus, KID and reports) may be obtained free of charge at the Registered Office of the Management Company and of the Administrative Agent. Notices to Shareholders may be published on the Management Company's website at <https://www.lu.rothschildandco.com/> under Asset Management.

## APPENDIX: R-CO LUX CONVICTION EQUITY VALUE EURO

<b>Name of the Sub-Fund</b>	<b>R-co Lux Conviction Equity Value Euro</b>
<b>Management Company</b>	<b>Rothschild &amp; Co Investment Managers</b>

### Objectives and Investment Policy

#### Investment objective:

The investment objective of R-co Lux Conviction Equity Value Euro (the "Sub-Fund") is the same as its master fund "R-co Conviction Equity Value Euro" (the "Master Fund"), deducting the Sub-Fund's Total Expense Ratio. The investment objective of the Master Fund is to outperform the EURO STOXX® index, with at least 70% of its assets being constantly exposed to equities issued on one or more markets in the Eurozone and possibly up to 10% in Eastern European markets.

#### Investment policy:

The Sub-Fund acts as a feeder fund by investing substantially all of its assets in the Master Fund, with only a small amount of ancillary liquid assets held for liquidity purposes.

The Master Fund is a sub-fund of the UCITS SICAV "R-co" approved by the French Market Authority ("AMF") on 24 August 2018 and managed by Rothschild & Co Asset Management. Rothschild & Co Asset Management is a portfolio management company approved by the French Financial Markets Authority (AMF). Rothschild Martin Maurel acts as depositary of the Master Fund in accordance with a depositary agreement and the relevant provisions of the law and UCITS rules. Rothschild Martin Maurel is a limited partnership company (société en commandite simple) incorporated under the laws of France, having its registered office located at 29, avenue de Messine – 75008 Paris. It is an authorised credit institution supervised by the "Autorité de contrôle prudentiel et de résolution" ("ACPR").

#### **Investment policy of the Master Fund:**

*Securities are selected by examining the value and profitability of securities of quoted Eurozone companies.*

*At least 70% of the Master Fund is permanently exposed to equities issued on one or more Eurozone markets, and possibly up to 10% on Eastern European markets. The Master Fund may also invest in fixed income transferable debt securities and in UCITS and/or other UCI.*

*The Master Fund may therefore invest in and/or be exposed to:*

- *75-100% invested in equities issued in one or more Eurozone countries and possibly up to 10% on Eastern European markets across all industrial sectors and sizes of stock market capitalisation (with a maximum of 50% in small and micro caps and up to 10% in non OECD country equities). The sectorial mix of issuers is not determined in advance and will be achieved on the basis of the market opportunities.*

*The Master Fund will be permanently exposed between 70-110% in equities issued in one or more Eurozone countries, and possibly up to 10% on Eastern European markets.*

- *0-25% invested in fixed income transferable debt securities issued by governments, public or private companies, rated investment grade or otherwise, with up to 10% of the net assets in high-yield securities. The Master Fund will invest in bonds, convertible bonds and negotiable debt securities, such as short-term negotiable debt securities and euro commercial paper, denominated in Euro. High-yield securities may include securities in distress and/or in default, therefore there is a possibility that the Master Fund may be invested up to 10% of the net assets in securities in distress and/or in default. These investments in fixed-income products correspond to a higher compensation target than the euro money market pending investment opportunities on equities. The public/private debt mix is not determined in advance and will be achieved on the basis of the market*

opportunities.

The Master Fund will be exposed between 0-30% in fixed income transferable debt securities and convertible bonds, denominated in Euro.

- 0-10% in UCITS and/or other UCI.

<b>Investments</b>	<b>Equities</b>	<b>Fixed income securities and convertible bonds</b>	<b>UCITS and /or UCI</b>
Holding ranges	75-100%	0-25%	0-10%
Investment in small and micro caps	0-50%	N/A	0-10%
Investment in financial instruments from non OECD countries (including emerging markets)	0-10%	N/A	0-10%

At least 75% of the Master Fund's assets will always be invested in securities eligible for French saving plan called "PEA" for French investors.

▪ **Selection of securities:**

The management process consists of investing, where opportunities exist, in securities with:

- either an undervaluation of the assets reflected in stock market prices (enterprise value/capital employed, enterprise value/turnover, return/free cash flow, etc.) given the assets' current profitability or, as part of a dynamic vision of the companies concerned, given the margin improvements anticipated. The profitability trends forecast for the companies are based on an understanding of the competitive play, the strategies of operators within the sector, barriers to market entry, the products, the balance between supply/demand, etc;
- or sharp growth in profits marked by high returns on capital invested with opportunities for reinvestment of free cash flows under attractive conditions.

Depending on the investment opportunities, the fund may be partially invested in small and medium-sized companies.

If, based on the valuation criteria for assets/anticipated profitability of assets, few opportunities for investment are offered by the market over a given period, the Master Fund's assets may be less exposed to the equities market (in the respect of the minimum limit of 70%).

▪ **Use of derivatives:**

In order to achieve its investment objective, the Master Fund may also use listed or OTC derivatives (and equity and index futures and options). With this in mind, it hedges its assets against or exposes its assets to certain markets or securities or creates a synthetic exposure to certain assets.

The portfolio's overall exposure to stock markets, including any off-balance sheet items, will be between 70% and 110%.

The percentage of the Master Fund's exposure corresponding to the use of derivatives is up to 100%.

▪ **Securities incorporating derivatives:**

The use of securities incorporating derivatives is capped at 25% of the net assets with a view to achieving the investment objective and notably managing exposure to equity markets.

▪ **Use of Benchmark:**

*The Master Fund is not an index-based UCITS. The Master Fund is actively managed, its composition may deviate significantly from the weightings and components of its indicative benchmark. Further details on the indicative benchmark are included under section Indicative Benchmark Index below.*

▪ **Term Deposits:**

*The Master-Fund may invest up to 10% of its assets in deposits with a term less than or equal to three months, so as to provide a return on the Master-Fund's liquid assets.*

▪ **Cash Borrowings:**

*The Master-Fund may borrow up to 10% of its assets, primarily in order to handle the deferred payment procedures related to investor subscriptions and redemptions of the Master-Fund's shares.*

▪ **Information about the financial collateral:**

*For transactions on OTC derivatives, the Master Fund may receive securities (such as bonds or securities issued or guaranteed by a State or issued by international lending agencies and bonds or securities issued by private issuers of good quality) or cash as collateral. There is no correlation policy insofar as the Master Fund will receive mainly government securities of the eurozone and/or cash as collateral.*

*Cash received as collateral is reinvested in accordance with the applicable rules.*

*All of these assets must be issued by high-quality, liquid, low-volatility, diversified issuers that are not an entity of the counterparty or its group.*

*Discounts may be applied to the collateral received; they shall take into account, in particular, the credit quality and the volatility of the prices of the securities. The valuation is performed at least on a daily basis.*

*Financial collateral received must be able to give rise to a full execution by the Master Fund at any time and without consultation or approval of the counterparty.*

*Financial collateral other than in cash must not be sold, reinvested, or pledged.*

▪ **Non-financial criteria:**

*The investment universe of the Master Fund's portfolio is composed of the index Euro Stoxx Total Market Eurozone; portfolio securities not included in this index will be reinstated into the initial investment universe. The management company may select securities outside the indicators that are in its investment universe. However, it will ensure that the indicators selected are a relevant comparison for the ESG rating of the Master Fund. The securities within the portfolio's investment universe are subject to a prior analysis of their profile with regards to Environmental, Social and Governance (ESG) criteria. The positive contribution of ESG criteria may be taken into account in investment decisions but is not a determining factor.*

*The proportion of positions analyzed on the basis of non-financial criteria will be higher than:*

- i. 90% of the portion of net assets consisting of shares issued by companies with a capitalization of more than €10 billion and having their registered offices located in developed countries, debt securities and money market instruments rated investment grade and sovereign debt issued by developed countries;*
- ii. 75% of the portion of net assets consisting of shares issued by companies with a capitalization of less than €10 billion, or whose registered office is located in non-OECD countries, as well as debt securities and money market instruments rated high yield.*

*The rating of the Master Fund's portfolio, in terms of non-financial criteria, is higher than the rating of the initial investment universe.*

*The non-financial ratings are primarily sourced from an external non-financial research data provider MSCI ESG Research. MSCI ESG Research rates companies from CCC to AAA (AAA being the highest rating).*

*Ratings are assigned sector by sector using a Best-in-Class approach. This approach favors the best rated companies from a non-financial point of view within their sector of activity, without favoring or excluding any sector.*

*The management company of the Master Fund reserves the right to rate issuers not covered by the MSCI ESG Research to which it has access using reliable data sources and a comparable analysis grid.*

*In accordance with Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy), the “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities, which represent a minimum alignment commitment of 0% of investments.*

*The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

- **Sustainability:**

*Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosure in the financial services sector as amended (SFDR), governs the transparency requirements regarding the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of Environment, Social, and Governance (ESG) and sustainability-related information.*

*Sustainability risk means the occurrence of an ESG event or condition that could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk-adjusted returns for investors. The assessment of sustainability risks is complex and may be based on ESG data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that such data will be correctly assessed.*

*The Management Company of the Master Fund integrates sustainability risks and opportunities into its research, analysis and investment decision-making process in order to enhance its ability to manage risk more comprehensively and generate long-term sustainable returns for investors.*

*The Master Fund promotes certain environmental and social characteristics within the meaning of article 8 of SFDR and good governance practices. Sustainability risks are integrated into investment decisions as set out in the non-financial criteria detailed above and also through exclusion policies, non-financial rating of the portfolio, commitment policy, ESG controls in place and compliance with Rothschild & Co's coal policy.*

*The Investment Manager company takes into account the adverse impacts of investment decisions on sustainability factors, and specifies, in a transparent and pragmatic way, how this product considers them in its negative impact reporting policy.*

*Investments will follow the Investment Manager's policies on ESG and Principal Adverse Impacts available at: <https://am.fr.rothschildandco.com/en/responsible-investing/documentation/>.*

- **Reference currency:** the reference currency of the Sub-Fund is the EUR.
- **Recommended investment horizon:** the recommended investment horizon is over 5 years.

## Indicative Benchmark Index

The Master Fund's indicative benchmark is the EURO STOXX®.

The **Euro Stoxx**® (Bloomberg Code: SXXT) index combines approximately 300 stocks from among the leading large capitalisations in the Eurozone, dividends reinvested. It is calculated by Stoxx Ltd and is available on the website [www.stoxx.com](http://www.stoxx.com). Stoxx Ltd is listed on the ESMA Register of benchmark administrators.

The Management Company has and maintains a procedure setting out the actions to be taken should any of the indices used as benchmark materially change or cease to be provided. This procedure is available upon request at the Management Company's registered office.

## Risk Profile

The specific risks of investing in the Sub-Fund are linked to:

- **Risks associated with the feeder nature of the Sub-Fund:**

Given the feeder nature of the Sub-Fund, it will naturally be concentrated in the Master Fund. Therefore, concentration risks and market risks will mainly occur at the level of the Master Fund.

The Net Asset Value of the Sub-Fund will mainly depend on the net asset value of the Master Fund. Consequently, the Net Asset Value per Share may be determined only after the net asset value of the Master Fund has been determined. The determination of the Net Asset Value per Share may be suspended upon a suspension of the calculation of the net asset value per share of the Master Fund or any other suspension or deferral of the issue, redemption and/or exchange of share in the Master Fund.

The Sub-Fund will be exposed to liquidity and valuation risks due to its investment in the Master Fund.

- **Risks factors relating to the Master Fund's investment policy:**

**Equity risk:** Shares' prices on equity markets may fluctuate namely pursuant to investor's expectations or anticipations, causing high potential volatility risk. Volatility on equity markets has historically been much greater than the volatility of fixed income markets.

**Smaller capitalization companies:** Investments in small capitalization companies may be subject to wider price fluctuations and may be less liquid.

**Credit risk:** Funds investing in debt securities issued by a public, corporate, bank or sovereign organization are exposed to the possibility that this issuer will not be able to reimburse debt holders (principal and interest payment). In addition, if after acquisition the perceived risk of failure increases, the value of such securities is likely to decrease.

**Changing interest rates risk:** The market value of fixed income securities may rise or fall inversely with changes in interest rates. Interest rate involves the risk that, when interest rates increase, the market-value of fixed-income securities tends to decline.

**Derivative risk:** Funds may enter into listed and unlisted derivative instruments in order to have an exposure to underlying assets or to protect their direct assets. These instruments are volatile and may be subject to various types of risks, including but not limited to market risk, liquidity risk, credit risk, counterparty risk, legal and operations risks. These derivative instruments may cause the Funds to have higher market exposure than they would have otherwise, which may in some case increase losses.

**Risk linked to non-financial criteria (ESG):** The consideration of sustainability risks and ESG criteria in the investment process relies on the use of non-financial criteria. Their application may lead to the exclusion of issuers and the loss of certain market opportunities. Consequently, fund performance may be higher or lower than that of a fund that does not take these criteria into account. ESG data, whether from internal or external sources, is based on valuations without strict market standards. This leaves room

for a degree of subjectivity that can result in an issuer rating that differs significantly from one provider to another. In addition, ESG criteria may be incomplete or inaccurate. There is a risk of incorrect rating of a security or issuer. These different aspects make it difficult to compare strategies incorporating ESG criteria.

**Sustainability risk:** The occurrence of an ESG event or condition that could, if it occurs, potentially or actually cause a material negative impact on the value of the Sub-Fund's investment. The occurrence of such an event or condition may also lead to a change in the investment strategy of the Sub-fund, including the exclusion of certain issuers' securities. Specifically, the negative impacts of sustainability risks may affect issuers through a variety of mechanisms, including: 1) lower revenues; 2) higher costs; 3) damage or depreciation of asset values; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase over the longer term.

**Risks related to temporary purchases and sales of securities:** In addition to the counterparty risk previously mentioned, the use of these techniques, the management of their guarantees, and their reuse involve certain specific risks such as the possibility of a lack of liquidity for any instrument; possible risks in relation with the legal documentation, the application of the contracts, and their limits; operational and custodial risks; a risk of incorrect valuation and a counterparty risk. If use of these transactions proves to be inadequate, ineffective, or a failure due to market conditions, the Fund may suffer significant losses that will have a negative effect on the Fund's net asset value.

For a complete description about risks, please refer to the prospectus of the Master Fund and also the general part of the Prospectus, chapter entitled "General Risk Considerations" below. This chapter also describes the other risks linked to an investment into the Sub-Fund.

The risks of the Sub-Fund are managed through the use of the "Commitment Approach" method described under "Use of Derivative, Special Investment and hedging Techniques"- "Global Risk Exposure".

## Typical Investor Profile

An investment in any Share Class of the Sub-Fund is suitable for institutional or retail investors who:

- are looking for an exposure to the equity markets in the Eurozone;
- can afford to set aside capital for at least 5 years;
- can tolerate significant volatility.

## Charges for this Sub-Fund

### ▪ Indirect charges:

Management Fees of the Master Fund: 0.95% per annum of the net assets. The Master Fund will also incur turnover fees (*commissions de mouvement*) and may incur performance fees.

There is no redemption charge and the initial charge is waived for the Sub-Fund.

The Sub-Fund will invest in class P, class PB or class MF shares of the Master Fund, or any other share class with lower management fees.



▪ **Direct charges:**

Share class	Maximum sales charge	Maximum redemption charge	Maximum Total Expense Ratio
C EUR	Up to 3%	None	Up to 0.87%
D EUR	Up to 3%	None	Up to 0.87%
P EUR	Up to 3%	None	Up to 0.27%

**Practical Information**

This Sub-Fund is subject to specific tax treatment in Luxembourg (please refer to the Section entitled "Taxation" below"). Depending on your own country of residence, this might have an impact on your investment. For further details, please speak to an adviser.

As the Master Fund is not established in the same Member State as the feeder Sub-Fund, this could have an impact on the tax treatment of the feeder Sub-Fund.

Date of creation of the Sub-Fund: 10 December 2014.

Valuation frequency: each Bank Business Day will be a Valuation Day.

With respect to this Sub-Fund, a Bank Business Day is defined as any full day on which banks and stock exchanges are open for normal banking business in Luxembourg and in France.

Any requests for subscription, redemption or conversion of Shares must be received by the Sub-Fund in Luxembourg no later than 10:30 a.m. (CET) on any Bank Business Day in order to be processed as of the relevant Valuation Day. If the request is received after 10:30 a.m. (CET), it will be processed as of the immediately following Valuation Day. The Payment of the Subscription Price must be made within 2 Bank Business Days of the Valuation Day. The payment of the Redemption Price in respect of the redeemed Shares will take place within 2 Bank Business Days following the Valuation Day.

The Sub-Fund may issue the following shares in registered form only. The issuance of fractions of Shares to a maximum of four decimal places is permitted.

Share Class	ISIN	Type of investors	Currency	Minimum initial Subscription Requirement*	Fractional Shares	Dividend Policy
C EUR	LU1147741034	All investors	Euro	€2,500	yes	Capitalization
D EUR	LU1147741117	All investors	Euro	€2,500	yes	Distribution***
P EUR	LU1147741208	Reserved for investors subscribing through distributors and intermediaries subject to the conditions below**	Euro	€5,000	yes	Capitalization

\* The Board of Directors reserves the right to waive these minimum initial subscription requirements.

\*\* Class P Shares are reserved for investors subscribing through distributors and intermediaries who (i) are subject to local regulations prohibiting distributors from receiving trailer fees (e.g. United Kingdom and the Netherlands) or (ii) provide independent advice (as defined under Mifid II European Regulation) or individual portfolio management (mandate). Class P Shares are meant to comply with the restrictions on the payment of commissions set-out under the FCA Handbook in relation to Retail Distribution Review.

\*\*\* For D Shares, an annual distribution of all income received, net of remunerations, commissions and charges, will be applied.

The Sub-Fund's shares are currently not listed on the Luxembourg Stock Exchange or any other stock exchange.

The relevant KID indicates where information on the historical performance of the Sub-Fund is available. The information on the portfolio of the Sub-Fund is disclosed in the annual and semi-annual reports of the SICAV. Additional information about the Sub-Fund (including full prospectus, KID and reports) may be obtained free of charge at the Registered Office of the Management Company and of the Administrative Agent. Notices to Shareholders may be published on the Management Company's website at <https://www.lu.rothschildandco.com/> under Asset Management. Additional information about the Master Fund (including full prospectus, KID and reports) may be obtained at <https://am.eu.rothschildandco.com>.

## APPENDIX: R-CO LUX CONVICTION CREDIT EURO

<b>Name of the Sub-Fund</b>	<b>R-co Lux Conviction Credit Euro</b>
<b>Management Company</b>	<b>Rothschild &amp; Co Investment Managers</b>

### Objectives and Investment Policy

#### Investment objective:

The investment objective of R-co Lux Conviction Credit Euro (the "Sub-Fund") is the same as its master fund "R-co Conviction Credit Euro" (the "Master Fund"), deducting of the Sub-Fund's Total Expense Ratio. The investment objective of the Master Fund is to outperform the Markit iBoxx™ € Corporates index over the recommended investment horizon.

#### Investment policy:

The Sub-Fund acts as a feeder fund by investing substantially all of its assets in the Master Fund, with only a small amount of ancillary liquid assets held for liquidity purposes.

The Master Fund is a sub-fund of the UCITS SICAV "R-co" approved by the French Market Authority ("AMF") on 24 August 2018 and managed by Rothschild & Co Asset Management. Rothschild & Co Asset Management is a portfolio management company approved by the French Financial Markets Authority (AMF). Rothschild Martin Maurel acts as depositary of the Master Fund in accordance with a depositary agreement and the relevant provisions of the law and UCITS rules. Rothschild Martin Maurel is a limited partnership company (société en commandite simple) incorporated under the laws of France, having its registered office located at 29, avenue de Messine – 75008 Paris. It is an authorised credit institution supervised by the "Autorité de contrôle prudentiel et de résolution" ("ACPR").

#### **Investment policy of the Master Fund:**

*Allocation across the interest rate curve and credit exposure is undertaken on a discretionary basis and the exposure depends on the anticipations of the Management Company in changes in interest rates and interest rates spreads between government bonds and bonds issued by private issuers.*

*The interest rate curve asset allocation strategy and credit risk exposure will be implemented either through direct investment or through synthetic replication by using derivative instruments.*

*At least 90% of the portfolio of the Master fund will be invested in transferable securities denominated in Euro.*

*At least 80% of the Master Fund is composed of investment grade, fixed, variable and floating-rate bonds (including profit-sharing securities, index-linked bonds, subordinated bonds, with contingent convertible bonds representing a maximum of 20% of the total net assets of the Master Fund) and transferable debt securities, of all redemption dates and maturities, and medium-term transferable bills and convertible bonds (up to a maximum of 10%):*

- *issued or guaranteed by Eurozone government and/or securities issued by international financing bodies including at least one Eurozone government;*
- *issued by private issuers (rated investment grade);*
- *and of all maturities.*

*The Master Fund may also invest up to a maximum of 100% of its net asset in callable and puttable bonds. The Master Fund may also invest up to 100% of its net asset in subordinated bonds, including a maximum of 20% of its net assets in convertible contingent bonds.*

*A maximum of 10% of the Master Fund's assets may be exposed to debt securities from non OECD countries and/or securities issued by issuers having their registered office in non OECD countries (including emerging markets).*

*The Master Fund shall not invest in equities. However, it may hold equities for up to a maximum of 5% of its net assets after exercising a conversion option attached to the convertible bonds or as a result of the restructuring of an issuer's debt.*

*Exposure to non-Euro bonds and transferable debt securities will be on an ancillary basis.*

<b>Range of modified duration to interest rates</b>	<b>Geographical area (nationality) of the issuers</b>	<b>Range for each area</b>
0-8	<i>Eurozone</i>	20 - 100%
	<i>Europe (non-Eurozone countries)</i>	0 - 40%
	<i>OECD countries (non-European countries)</i>	0 - 30%
	<i>Non OECD countries (including emerging markets)</i>	0 - 10%

*The public/private debt mix is not determined in advance and will be achieved on the basis of the market opportunities.*

*The Master Fund will also be able to invest up to 10% in high-yield bonds (sub-investment grade bonds). Investments in unrated securities can represent up to 10% of net assets.*

*In order to achieve its investment objective (notably, in order to manage the portfolio's duration and credit risk), the Master Fund may also use listed and OTC derivatives (interest-rate swaps, total return swap, credit derivatives, in particular credit default swaps; forward contracts, futures and options). The Master Fund may also use total return swaps up to 20% of its net assets. With this in mind, it hedges its assets against or exposes its assets to economic sectors, currencies, interest-rates, and indexes.*

*The percentage of the Master Fund's exposure corresponding to the use of derivatives (including, for the avoidance of doubts, credit derivatives), is up to 100%.*

*In order to achieve its investment objective, the Master Fund may invest up to 10% in UCITS and/or other UCI, notably in money market UCITS for cash management purposes and in UCITS invested in convertible bonds.*

*The equity risk related to investment in convertible bonds is up to 10% of the net assets of the Master Fund.*

*The foreign exchange risk and the exposition to non-euro debt securities are on an ancillary basis. The portfolio's modified duration is between 0 to 8 (including the balance sheet assets and derivative instruments).*

▪ **Selection of securities and instruments:**

*The following four sources of added value are used for the fixed income portfolio:*

- 1) **Duration:** *The portfolio's duration increases when a fall in interest rates is anticipated by the manager and vice versa.*
- 2) **Credit risk exposure:** *The Master-Fund management process combines top-down and bottom-up approaches, allowing two sources of added value to be identified:*
  - *The sector and geographical allocation is determined on the basis of an analysis of the economic and financial environment. This analysis leads to identify long-term risks and problems influencing price formation. Particular emphasis is placed on analysis of historical defaults and examination of competitive play;*
  - *The selection of securities is based on a fundamental two-stage approach:*
    - *A quantitative analysis based on the probability of default by:*

- using a large amount of public-domain data and statistics for each company;
  - comparing this data with those of companies in the same economic sector;
  - determining a theoretical value which compares favourably or unfavourably with that of the market.
- A qualitative analysis based on:
- the sector's sustainability;
  - study of the competitive parameters;
  - an understanding of the balance sheet;
  - an appreciation of how profitability is achieved (imbalances in supply and demand, cost advantages, patents, brands, legislation and regulations, etc.);
  - an understanding of (balance-sheet and off-balance-sheet) debt maturity ladders;
  - determination of the likelihood of intra-sector survival.
- 3) **Interest rate curve positioning:** securities with short and very long maturities will be favoured over those with a medium-term or other maturities, depending on the manager's expectation regarding the flattening or the steepening of the interest rate curve.
- 4) **Option strategies:** options on the interest-rate markets may be purchased or sold, depending on whether the manager anticipates changes in volatility and the prices of the underlying instruments.

▪ **Credit derivatives:**

The credit derivatives used are CDS on baskets of issuers and single name CDS.

These credit derivatives are used for the purpose of hedging in order to:

- limit capital-loss risk on certain issuers (present in the portfolio);
- take advantage of any deterioration which is anticipated in the solvency risk of an issuer or a basket of issuers not present in the portfolio which will be greater than that of an exposure present in the portfolio;

and for the purpose of exposure to:

- an issuer's credit risk;
- a credit risk on credit default swap baskets.

Given that credit default swaps may be traded for the purposes of exposing the portfolio to, or hedge it against, credit risk, the use of indexes to achieve this goal may entail transactions which line by line, might be equated to arbitrage (hedging of the portfolio's overall credit risk through issuers, parent companies, subsidiaries and other entities not present in the portfolio).

The percentage of the Master Fund's exposure corresponding to the use of credit derivatives is between 0% and 100%.

▪ **Total Return Swaps:**

The Master Fund may use Total Return Swaps, within the limit of 20% of the Master Fund's net assets. These derivatives aim to exchange the performance of a security, a basket of securities or an index.

The use of derivatives will mainly serve to:

- synthetically restructure the portfolio's exposure to the fixed-income market;
- partially hedge the portfolio's assets against interest rate risk and credit risk.

▪ **Securities incorporating derivatives:**

In order to achieve the investment objective, the manager manages the interest rates, credit and currency risks. The manager may trade on the market directly in warrants, Euro medium-term notes, bond warrant, up to maximum 10% in convertible bonds, up to 20% in contingent convertible bonds, as well as securities incorporating simple derivatives with a risk typology similar to that of the instruments previously listed. The Master Fund may also invest up to maximum 100% of its net asset in callable and puttable bonds.

*The use of these securities, including derivatives, is intended to hedge or expose the portfolio to interest rates, credit and currency risks, while keeping the portfolio modified duration within a range of 0 and 8.*

▪ **Use of Benchmark:**

*The Master Fund is not an index-based UCITS. The Master Fund is actively managed, its composition may deviate significantly from the weightings and components of its indicative benchmark. Further details on the indicative benchmark are included under section Indicative Benchmark Index below.*

▪ **Term Deposits:**

*The Master-Fund may invest up to 10% of its assets in deposits with a term less than or equal to three months, so as to provide a return on the Master-Fund's liquid assets.*

▪ **Cash Borrowings:**

*The Master-Fund may borrow up to 10% of its assets, primarily in order to handle the deferred payment procedures related to investor subscriptions and redemptions of the Master-Fund's shares.*

▪ **Global exposure:**

*From February 2016, the methodology used in order to calculate the Master Fund's global exposure resulting from the use of financial derivative instruments is the relative VaR method. For indicative purposes, the anticipated leverage (calculated as the sum of the notional value of financial contracts used) shall be 100%.*

▪ **Information about the financial collateral:**

*For transactions on OTC derivatives, the Master Fund may receive securities (such as bonds or securities issued or guaranteed by a State or issued by international lending agencies and bonds or securities issued by private issuers of good quality) or cash as collateral. There is no correlation policy insofar as the Master Fund will receive mainly government securities of the eurozone and/or cash as collateral.*

*Cash received as collateral is reinvested in accordance with the applicable rules.*

*All of these assets must be issued by high-quality, liquid, low-volatility, diversified issuers that are not an entity of the counterparty or its group.*

*Discounts may be applied to the collateral received; they shall take into account, in particular, the credit quality and the volatility of the prices of the securities. The valuation is performed at least on a daily basis.*

*Financial collateral received must be able to give rise to a full execution by the Master Fund at any time and without consultation or approval of the counterparty.*

*Financial collateral other than in cash must not be sold, reinvested, or pledged.*

▪ **Non-financial criteria:**

*The investment universe of the Master Fund's portfolio is composed of the indices iBoxx Euro Corporates Overall and ICE BofA Euro High Yield; portfolio securities not included in these indices will be reinstated into the initial investment universe. The management company may select securities outside the indicators that are in its investment universe. However, it will ensure that the indicators selected are a relevant comparison for the ESG rating of the Master Fund. The securities within the portfolio's investment universe are subject to a prior analysis of their profile with regards to Environmental, Social and Governance (ESG) criteria. The positive contribution of ESG criteria may be taken into account in investment decisions but is not a determining factor.*

*The proportion of positions analyzed on the basis of non-financial criteria will be higher than:*

- i. 90% of the portion of net assets consisting of debt securities and money market instruments rated investment grade and sovereign debt issued by developed countries;
- ii. 75% of the portion of net assets consisting of debt securities and money market instruments rated high yield and sovereign debt issued by non-OECD countries.

*The rating of the Master Fund's portfolio, in terms of non-financial criteria, is higher than the rating of the initial investment universe.*

*The non-financial ratings are primarily sourced from an external non-financial research data provider MSCI ESG Research. MSCI ESG Research rates companies from CCC to AAA (AAA being the highest rating).*

*Ratings are assigned sector by sector using a Best-in-Class approach. This approach favors the best rated companies from a non-financial point of view within their sector of activity, without favoring or excluding any sector.*

*The management company of the Master Fund reserves the right to rate issuers not covered by the MSCI ESG Research to which it has access using reliable data sources and a comparable analysis grid.*

*In accordance with Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy), the "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities, which represent a minimum alignment commitment of 0% of investments.*

*The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

▪ **Sustainability:**

*Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosure in the financial services sector as amended (SFDR), governs the transparency requirements regarding the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of Environment, Social, and Governance (ESG) and sustainability-related information.*

*Sustainability risk means the occurrence of an ESG event or condition that could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk-adjusted returns for investors. The assessment of sustainability risks is complex and may be based on ESG data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that such data will be correctly assessed.*

*The Management Company of the Master Fund integrates sustainability risks and opportunities into its research, analysis and investment decision-making process in order to enhance its ability to manage risk more comprehensively and generate long-term sustainable returns for investors.*

*The Master Fund promotes certain environmental and social characteristics within the meaning of article 8 of SFDR and good governance practices. Sustainability risks are integrated into investment decisions as set out in the non-financial criteria detailed above and also through exclusion policies, non-financial rating of the portfolio, commitment policy, ESG controls in place and compliance with Rothschild & Co's coal policy.*

*The Investment Manager company takes into account the adverse impacts of investment decisions on sustainability factors, and specifies, in a transparent and pragmatic way, how this product considers them in its negative impact reporting policy.*

*Investments will follow the Investment Manager's policies on ESG and Principal Adverse Impacts*

available at: <https://am.fr.rothschildandco.com/en/responsible-investing/documentation/>.

The reference currency of the Sub-Fund is the EUR.  
The recommended investment horizon is over 3 years.

## Indicative Benchmark Index

The Master Fund's indicative benchmark is the Markit iBoxx™ € Corporates index.

The **Markit iBoxx™ € Corporates**<sup>2</sup> index is made up of all fixed-rate bonds issued in euros by public or private companies, with debt exposure of at least EUR 500 million. All bonds must be rated Investment Grade (minimum BBB-) by at least one of the main ratings agencies (Standard & Poor's, Moody's or Fitch). The index value is the weighted average of the bond price per cap, coupon attached. This index is calculated by IHS Markit Benchmark Administration Limited. The pricing and index methodology are published on the website of Rothschild & Co Asset Management at <https://am.eu.rothschildandco.com>. Following the UK's departure from the EU, IHS Markit Benchmark Administration Limited is no longer listed on the ESMA register of benchmark administrators. Transitional provisions following Brexit authorize the continued use of benchmarks administered by index administrators based in the UK and authorized by the UK Financial Conduct Authority as a non-EU based administrator during a transitional period.

The Management Company has and maintains a procedure setting out the actions to be taken should any of the indices used as benchmark materially change or cease to be provided. This procedure is available upon request at the Management Company's registered office.

## Risk Profile

The specific risks of investing in the Sub-Fund are linked to:

- **Risks associated with the feeder nature of the Sub-Fund:**

Given the feeder nature of the Sub-Fund, it will naturally be concentrated in the Master Fund. Therefore, concentration risks and market risks will mainly occur at the level of the Master Fund.

The Net Asset Value of the Sub-Fund will mainly depend on the net asset value of the Master Fund. Consequently, the Net Asset Value per Share may be determined only after the net asset value of the Master Fund has been determined. The determination of the Net Asset Value per Share may be suspended upon a suspension of the calculation of the net asset value per share of the Master Fund or any other suspension or deferral of the issue, redemption and/or exchange of share in the Master Fund. The Sub-Fund will be exposed to liquidity and valuation risks due to its investment in the Master Fund.

- **Risks factors relating to the Master Fund's investment policy:**

**Credit risk:** Funds investing in debt securities issued by a public, corporate, bank or sovereign organization are exposed to the possibility that this issuer will not be able to reimburse debt holders (principal and interest payment). In addition, if after acquisition the perceived risk of failure increases, the value of such securities is likely to decrease.

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<sup>2</sup> The Markit iBoxx™ € Corporates and data for this index are the property of IHS Markit Benchmark Administration Limited and are accessible via a license given by IHS Markit Benchmark Administration Limited. IHS Markit Benchmark Administration Limited makes no representation or warranty, express or implied, and expressly disclaims any warranty of accuracy, merchantability or fitness for a particular purpose or for use on Markit iBoxx™ € Corporates, or vis-à-vis any given on Markit iBoxx™ € Corporates, or vis-à-vis any data on which it is based. IHS Markit Benchmark Administration Limited cannot be held responsible for any error, omission or interruption of availability of the index data on the Markit iBoxx™ € Corporates. IHS Markit Benchmark Administration Limited undertakes no warranty, express or implied, as to the result obtained by the use of Markit iBoxx™ € Corporates. IHS Markit Benchmark Administration Limited does not sponsor, endorse, sell or promote any fund or other investment vehicle promoted by the Management Company or any third party, seeking a performance based on that of Markit iBoxx™ € Corporates.

The decision to invest in such funds or other vehicles cannot be taken into account data on the index or IHS Markit Benchmark Administration Limited. The attention of potential investors is drawn to the fact that they should invest in such fund or investment vehicle after having carefully considered the risks associated with such investment, as detailed in the prospectus of UCITS concerned, or any similar document prepared by or on behalf of the promoter of the fund or investment vehicle in question.



**Changing interest rates risk:** The market value of fixed income securities may rise or fall inversely with changes in interest rates. Interest rate involves the risk that, when interest rates increase, the market-value of fixed-income securities tends to decline.

**Derivative risk:** Funds may enter into listed and unlisted derivative instruments in order to have an exposure to underlying assets or to protect their direct assets. These instruments are volatile and may be subject to various types of risks, including but not limited to market risk, liquidity risk, credit risk, counterparty risk, legal and operations risks. These derivative instruments may cause the Funds to have higher market exposure than they would have otherwise, which may in some case increase losses.

**Counterparty risks:** Unlisted derivative instruments are agreed with a specific counterparty. If the counterparty goes into liquidation, defaults, or fails to meet payment obligations when due, Fund could suffer a loss. Because they are not listed, these derivatives can be difficult to price.

**Risk linked to non-financial criteria (ESG):** The consideration of sustainability risks and ESG criteria in the investment process relies on the use of non-financial criteria. Their application may lead to the exclusion of issuers and the loss of certain market opportunities. Consequently, fund performance may be higher or lower than that of a fund that does not take these criteria into account. ESG data, whether from internal or external sources, is based on valuations without strict market standards. This leaves room for a degree of subjectivity that can result in an issuer rating that differs significantly from one provider to another. In addition, ESG criteria may be incomplete or inaccurate. There is a risk of incorrect rating of a security or issuer. These different aspects make it difficult to compare strategies incorporating ESG criteria.

**Sustainability risk:** The occurrence of an ESG event or condition that could, if it occurs, potentially or actually cause a material negative impact on the value of the Sub-Fund's investment. The occurrence of such an event or condition may also lead to a change in the investment strategy of the Sub-fund, including the exclusion of certain issuers' securities. Specifically, the negative impacts of sustainability risks may affect issuers through a variety of mechanisms, including: 1) lower revenues; 2) higher costs; 3) damage or depreciation of asset values; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase over the longer term.

**Risk link to the use of complex subordinated bonds (convertible contingent bonds, "CoCos"):**  
A debt is called subordinated when its repayment depends on the initial repayment of other creditors. As such, the subordinated creditor shall be repaid after the ordinary creditors, but before the shareholders. In consideration of this risk premium, the interest rate on this type of debt is higher than that of others. CoCos present specific risks related to the possibility of cancellation or suspension of their coupon, total or partial reduction of their value, or their conversion into equities. These conditions may be triggered, in whole or in part, when the issuer's level of equity falls below the trigger threshold of the contingent convertible bond. The occurrence of any of these risks may result in a decrease in the Fund's net asset value.

For a complete description about risks, please refer to the prospectus of the Master Fund and also the general part of the Prospectus, chapter entitled "General Risk Considerations" below. This chapter also describes the other risks linked to an investment into the Sub-Fund.

The risks of the Sub-Fund are managed through the use of the "Commitment Approach" method described under "Use of Derivative, Special Investment and hedging Techniques"- "Global Risk Exposure".

## Typical Investor Profile

An investment in any Share Class of the Sub-Fund is suitable for institutional or retail investors who:

- are looking for a credit exposure and allocation across the Eurozone interest rate curve of public or private issuers of all geographical area;
- can afford to set aside capital for at least 3 years;
- can tolerate medium volatility.

## Charges for this Sub-Fund

### ▪ Indirect charges:

Management Fees of the Master Fund: 0.45% per annum of the net assets. The Master Fund will also incur turnover fees (*commissions de mouvement*).

There is no redemption charge and the initial charge is waived for the Sub-Fund.

The Sub-Fund will invest in class P, class PB or class MF shares of the Master Fund, or any other share class with lower management fees.

### ▪ Direct charges:

Share class	Maximum sales charge	Maximum redemption charge	Maximum Total Expense Ratio
C EUR	Up to 3%	None	Up to 0.53%
D EUR	Up to 3%	None	Up to 0.53%
P EUR	Up to 3%	None	Up to 0.27%
PB EUR	Up to 3%	None	Up to 0.27%

## Practical Information

This Sub-Fund is subject to specific tax treatment in Luxembourg (please refer to the Section entitled "Taxation" below). Depending on your own country of residence, this might have an impact on your investment. For further details, please speak to an adviser.

As the Master Fund is not established in the same Member State as the feeder Sub-Fund, this could have an impact on the tax treatment of the feeder Sub-Fund.

Date of creation of the Sub-Fund: 11 December 2014.

Valuation frequency: each Bank Business Day will be a Valuation Day.

With respect to this Sub-Fund, a Bank Business Day is defined as any full day on which banks and stock exchanges are open for normal banking business in Luxembourg and in France.

Any requests for subscription, redemption or conversion of Shares must be received by the Sub-Fund in Luxembourg no later than 10:30 a.m. (CET) on any Bank Business Day in order to be processed as of the relevant Valuation Day. If the request is received after 10:30 a.m. (CET), it will be processed as of the immediately following Valuation Day. The Payment of the Subscription Price must be made within 2 Bank Business Days of the Valuation Day. The payment of the Redemption Price in respect of the redeemed Shares will take place within 2 Bank Business Days following the Valuation Day.

The Sub-Fund may issue the following shares in registered form only. The issuance of fractions of Shares to a maximum of four decimal places is permitted.

Share Class	ISIN	Type of investors	Currency	Minimum initial Subscription Requirement*	Fractional Shares	Dividend Policy
C EUR	LU1147742271	All investors	Euro	€2,500	yes	Capitalization
D EUR	LU1147742354	All investors	Euro	€2,500	yes	Distribution***
P EUR	LU1147742438	Reserved for investors subscribing through distributors and intermediaries subject to the conditions below**	Euro	€5,000	yes	Capitalization
PB EUR	LU1891284876	Reserved for investors subscribing through distributors and intermediaries subject to the conditions below**	Euro	€5,000	yes	Distribution***

\* The Board of Directors reserves the right to waive these minimum initial subscription requirements.

\*\* Class P and PB Shares are reserved for investors subscribing through distributors and intermediaries who (i) are subject to local regulations prohibiting distributors from receiving trailer fees (e.g. United Kingdom and the Netherlands) or (ii) provide independent advice (as defined under Mifid II European Regulation) or individual portfolio management (mandate). Class P and PB Shares are meant to comply with the restrictions on the payment of commissions set-out under the FCA Handbook in relation to Retail Distribution Review.

\*\*\* For D Shares, an annual distribution of all income received, net of remunerations, commissions and charges, will be applied.

The Sub-Fund's shares are currently not listed on the Luxembourg Stock Exchange or any other stock exchange.

The relevant KID indicates where information on the historical performance of the Sub-Fund is available. The information on the portfolio of the Sub-Fund is disclosed in the annual and semi-annual reports of the SICAV. Additional information about the Sub-Fund (including full prospectus, KID and reports) may be obtained free of charge at the Registered Office of the Management Company and of the Administrative Agent. Notices to Shareholders may be published on the Management Company's website at <https://www.lu.rothschildandco.com/> under Asset Management. Additional information about the Master Fund (including full prospectus, KID and reports) may be obtained at <https://am.eu.rothschildandco.com>.

## APPENDIX: R-CO LUX MONTJOLY INVESTISSEMENTS

<b>Name of the Sub-Fund</b>	<b>R-co Lux Montjoly Investissements</b>
<b>Management Company</b>	<b>Rothschild &amp; Co Investment Managers</b>
<b>Investment Managers</b>	<b>AXA Investment Managers Paris, Amundi Asset Management, Massena Partners, Succursale de Paris, Rothschild &amp; Co Asset Management</b>
<b>Investment Advisor</b>	<b>Massena Partners, Succursale de Paris</b>

### Objectives and Investment Policy

#### Investment objective:

The investment objective of R-co Lux Montjoly Investissements (the "Sub-Fund") is to achieve a performance by investing mainly in global equities, fixed-income and convertible bond markets, by a discretionary investment approach based in particular on a selection process of securities based on fundamental analysis of the issuers.

#### Investment policy:

The Sub-Fund is invested, in the framework of the selection process of each Investment Manager (as described below), in fixed income transferable debt securities, convertible bonds, equities or equity related securities or in UCITS and/or other UCI having as main objective to invest in the above-mentioned asset classes.

The management strategy is based on a multi-manager approach. Each Investment Manager manages a part of the portfolio in order for the Sub-Fund to benefit from the diversity of the management styles and risk-taking.

The Sub-Fund may invest:

- 0-100% in fixed income transferable debt securities, directly or indirectly via UCITS and/or other UCI, of any credit quality (transferable debt securities issued by governments, public or private companies, rated investment grade or otherwise according to the Investment Manager analysis, money market instruments),
- 0-100% in equities or equity related securities, directly or indirectly via UCITS and/or other UCI.
- 0-100% in UCITS and/or other UCI within the limits laid down by the Law.

The Sub-Fund direct overall exposure to non-OECD countries may be up to 30% of the net assets and direct small-cap risks up to 30% of the net assets.

The Management Company will allocate to each Investment Manager a portion of the portfolio in principle on an equally weighted basis. The overall allocation of assets among equities, bonds and money market instruments and exposure to foreign exchange risk is not determined in advance and will be based on the market opportunities.

No Investment Manager is allocated with the management of a pre-determined asset class. Accordingly, each Investment Manager will be able to invest in accordance with the relevant investment management agreement, in any asset class as further permitted by Law and this Prospectus (including the Appendix).

The Management Company remains responsible for the overall compliance of the assets of the Sub-Fund with Law (including, for the avoidance of doubt, the diversification rules). In this respect, the Management Company reserves the right to give any instructions it deems appropriate to an Investment manager as regard the composition of the portion of the portfolio it manages.

<i>Investments</i>	<i>Equities</i>	<i>Fixed income securities</i>	<i>UCITS and /or UCI</i>
Holding ranges	0-100%	0-100%	0-100%
Investment in small caps	0-30%	Nil	Nil
Investment in financial instruments from non OECD countries	0-30%	0-20%	Nil

▪ **Selection of securities:**

**A. Selection of securities for the segment managed by Rothschild & Co Asset Management**

The selection criteria for equities are as follows:

The management process combines top-down and bottom-up approaches, allowing two sources of added value to be identified:

- The sector allocation is determined by analysing the macro-economic and financial environment.
- The selection of securities is based on a fundamental two-stage approach:
  - A quantitative analysis aimed at determining the extent to which the value is attractive by applying ratios appropriate to each industry (enterprise value/capital employed, enterprise value/gross operating result, price-earnings ratio, etc.).
  - A qualitative analysis based on an understanding of the competitive drivers, of how profitability is achieved (imbalance between supply/demand, cost advantages, patents, trademarks, regulation, etc.).

The following three sources of added value are used for the fixed-income portfolio:

- 1) **Duration:** The portfolio's duration increases when a fall in interest rates is anticipated by the manager and vice versa.
- 2) **Credit risk exposure:** The Fund management process combines top-down and bottom-up approaches, allowing two sources of added value to be identified:
  - The sector and geographical allocation is determined on the basis of an analysis of the economic and financial environment. This analysis leads to identify long-term risks and factors influencing price levels. A particular emphasis is placed on analysis of historical defaults and assessment of competitive playing field;
  - The selection of securities is based on a fundamental two-stage approach:
    - A quantitative analysis based on the probability of default by:
      - using a large amount of public-domain data and statistics for each company;
      - comparing this data with those of companies in the same economic sector;
      - determining a theoretical value which compares favourably or unfavourably with that of the market.
    - A qualitative analysis based on:
      - the sector's sustainability;
      - study of the competitive parameters;
      - an understanding of the balance sheet;
      - an appreciation of how profitability is achieved (imbalances in supply and demand, cost advantages, patents, brands, legislation and regulations, etc.);

- an understanding of (balance-sheet and off-balance-sheet) debt maturity ladders;
- determination of the likelihood of intra-sector survival.

3) **Interest rate curve positioning:** securities with short and very long maturities will be favoured over those with a medium-term or other maturities, depending on the manager's expectation regarding the flattening or the steepening of the interest rate curve.

The selection criteria for UCITS and/or other UCI are as follows:

The UCITS and/or other UCI are selected according to a top-down approach based on asset classes. This selection is mainly carried out within the Rothschild & Co range of funds.

## **B. Selection of securities for the segment managed by Amundi Asset Management**

### 1. Allocation between asset classes:

The asset allocation process involves three steps:

- The first step is to review each asset class on a scale of risk exposure, depending on the economic and market conditions over an investment horizon of 3 to 6 months. The rating process is based on a top-down approach that integrates the findings of the Group's specialists (managers, economists): Economic Forecasts, Global Equities and Bonds and Global Foreign Exchange.
- The second step is to build a portfolio model. The generated portfolios are classified by level of risk. This classification aims at selecting the portfolio that maximizes performance for a predefined level of tracking error (tracking error of 1%, 2% ...). Depending on managers' expectations about the upcoming movements of the markets, this filter can determine the most appropriate asset allocation. Diversified managers proceed to relative valuation of asset classes by analyzing the following criterion: dynamics of profits, market valuations (PER, risk premium, growth) and market dynamics (psychology, technical analysis, volumes). This analysis identifies the expected return of the different asset classes and subclasses. From this analysis, the investment team implements an initial allocation, which may significantly change according to the evolution of market expectations. Compared to a benchmarked approach, Absolute Return Investment markedly develops its exposure to different asset classes, particularly in the equity market. The combination of different asset classes selected for the achievement of the target Absolute Return is implemented to maximize performance under a level of risk defined. The market segments that do not contribute to the achievement of the Absolute Return objective will also be excluded from the implemented allocation.
- The third step is to adapt the portfolio model to take into account the objectives and constraints of each portfolio:
  - The tactical asset allocation leeways are more flagged in order to fully take advantage of value-generating opportunities, taking into account parameters (performance targets, etc ...), while driving the overall portfolio risk.
  - Selection of investment vehicles: according to the predefined allocation, the investment manager selects in each case the most appropriate investment vehicles. The funds are regularly reviewed on both quantitative criteria (performance, volatility, liquidity, etc.) and qualitative criteria (investment strategy, regular meetings with managers, etc.). This selection has the same Absolute Return logic as for the securities.

### 2. Management of the Eurozone equities segment

#### **Step 1: Construction of the investment list and stock selection**

- The managers mainly rely on the work of the team of Equity Research based in Paris.

Research is primarily fundamental. It is based on company visits (meeting with the management - over 900 visits per year, on which a third "one-to-one") and a detailed financial analysis.

The criteria taken into account are:

- Financial analysis: financial strength according to the margin criteria, return on capital, ability to generate positive cash flow, visibility / clarity of accounts, shareholding structure, etc. The analysis is adapted according to the studied sectors.
- Qualitative analysis: management quality (stability, history, experience and reputation), the clarity of the strategy, company's positioning in the industry sector, quality of products / market share, quality of marketing/research, etc.
- Historical and prospective evaluation criteria: ROE, P/CF, Performance, Price/Book Ratio (history) and earnings growth, PER on forecasted earnings growth, gearing.
- Technical criteria: revision of IBES consensus earnings, technical analysis.

This first study allows the selection of approximately 150 stocks. From this environment, the investment team in collaboration with financial analysts selects a limited number of stocks (around 70), continuously under review.

The securities are the best positioned stocks in their area and they also offer a potential increase of at least 15% above their purchasing price. The reasons for reassessment by the market of these values can be linked either to a specific situation in a given company or to a transversal theme as for a high yield seeking, turnaround situation, speculative interest or de-leveraging.

The revisions are based on:

- alerts issued by quantitative analysts conducting a "screening" of the investment funds universe according to consensual data (IBES)
- Input / output investment ideas issued by the managers.

## **Step 2: Geographic and sector allocation strategy**

The decisions of geographic and sector allocation are taken in the framework of the diversified investment process. They derive from the findings of the Equities Committee and ratings assigned to each sector and region by the Investment Strategy Committee.

They are grounded on:

- economic scenario defined by economists regarding macroeconomic evaluation criteria (GDP growth, consumption, investment, savings, inflation, monetary and fiscal policy, trade and finance, political environment)
- stock market indicators (momentum, valuation, market sentiment, technical analysis)
- recommendations of sector equity analysts.

## **Step 3: Selection of securities and portfolio construction**

It focuses on about 40 stocks. Preferred indicators as part of the selection of securities by the fundamental analysis are: Management quality, Business Analysis, Analysis of competitive factors, the analysis of the company.

### **3. Fixed income portfolio**

The Euro/European fixed income strategies of Amundi Asset Management offer an active top-down approach, generating outperformance through dynamic strategies with the following performance drivers : duration, interest rate curve positioning, currency allocation, credit and diversification strategies (mortgage-backed securities, emerging market debt, etc.). The bond market and the foreign exchange market follow the short and long term trends, influenced by two categories of factors: the valuation and

market dynamics. The coexistence of these factors creates volatility that the investment team uses to create value via bond performance drivers mentioned above.

### **C. Selection of securities for the segment managed by AXA Investment Managers Paris**

The investment strategy is based on a dynamic allocation between the various segments of the Fund: the Equity and Fixed income (bonds and money market) segment.

The diversified investment team determines on a discretionary basis and according to its own expectations the allocation of the Fund between these segments without a predefined target allocation.

An asset allocation committee comprising all the specialist investment teams regularly meet and identify investment opportunities based on the investment horizon. It allows selecting investments to expose the portfolio to different asset classes, particularly in the bond markets, equities, currency markets and on all types of diversified assets, in accordance with the investment rules in force.

The allocation between various asset classes, sectors or geographical areas is regularly reviewed by the Diversified investment team according to the evolution of the economic and financial environment. Thus, the weighting between different asset classes, sectors and geographical areas, types and investment vehicles are determined. This allocation is tactical and is based for example on the quality of the issuers in which the Fund invests, on the sector (e.g. energy sector, real estate), or the chosen asset class when selecting a given investment (e.g. high income equity).

The direct exposure or through UCITS in each asset class (equities / fixed income) may fluctuate with the combined expectations of equity, fixed income and diversified investment teams. In addition, the Fund may use derivative financial instruments within the limits of once the assets as described below, and the global exposure to an asset class will be increased up to 200% due the use of such instruments.

Being a fund of funds the investment strategy primarily is through a selection of the best performing underlying funds among the selection criteria described above.

### **D. Selection of securities for the segment managed by Massena Partners, Succursale de Paris**

The selection of the funds by Massena Partners, Succursale de Paris is carried out exclusively in open-ended funds, where subscriptions and redemptions are based on the net asset value (NAV). This excludes in particular the UK "Investment Trusts" securities. Massena Partners, Succursale de Paris reserves the right occasionally to use ETF (Exchange Traded Fund) compliant with UCITS regulations.

The process of the selection of funds is implemented according to the following criteria:

#### 1. Size criteria:

In general, the size of the funds selected is above EUR 50M.

#### 2. Performance criteria:

The selection process is to identify the funds managed by the "top talent" asset managers. The performance is the first indicator considered in the search for new funds. This is the only objective indicator that forms a first objective selection. Performance analysis retains one or more of the following, depending on the role assigned to the funds in the overall selection: medium and long-term performances, short-term performances, sliding performances, relative performances over a given investment universe.

- a) The "equity" funds selected have different profiles:
  - o "Growth-resistant" or "GARP" funds (based on the selection of stable growth and predictable equities)



- "Value" funds (based on the inherently low cost of some securities value)
- "Opportunity" funds (exploiting special situations or market opportunities),
- Sector allocation funds (such as energy, pharmaceuticals or technology)
- mid and small-cap funds,
- Quantitative funds (based on mathematical models for evaluating securities).

In any case, Massena Partners, Succursale de Paris strives to give preference to the managers who have a non-benchmarked approach.

- b) The Money Market funds: their selection is carried out according to the comparison between their performance to (ESTER+0,085%) and the consistency of returns. Then, the valuation method for derivative instruments, the model portfolio by maturity and rating, etc... Finally, management fees, growth of total net assets are checked.
- c) The fixed income funds: they are used to capture bets such as "convergence", "convertible" or "high yield" (speculative securities). They are sometimes replaced in the management of Massena Partners, Succursale de Paris by hedge funds when bond yields appear unattractive. The performance of this allocation is more consistent and efficient over the long term run.

### 3. Statistics criteria:

- a) The volatility: this is a carefully watched data without being considered as the sole indicator of the risk taken.
- b) The correlation coefficient and the tracking error are not useful tools in the "non-benchmarked" management approach which is favored by Massena Partners, Succursale de Paris.

### 4. Qualitative criteria:

The Manager: great value is attached to stock-pickers' talents.

The company, its investment philosophy, its investment process: Massena Partners, Succursale de Paris strives to develop relationships of trust with portfolio managers and studies the relevance and the consistency of their processes in market configurations.

#### ▪ **Use of derivatives:**

In order to achieve its investment objective, the Sub-Fund may also use listed or OTC derivatives (interest rate swaps, index, currency, forward contracts, index futures and equities options markets interest-rate, currency or index). With this in mind, it hedges its assets against or exposes its assets to economic sectors, geographical regions, currencies, interest-rates, equities, other type-securities and indexes.

The Sub-Fund's global exposure through derivatives instruments shall not exceed 100% of its total net assets.

For the time being, the Sub-Fund does not use TRS. The Sub-Fund reserves the right to use TRS in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

Optional strategies: based on his expectations regarding the evolution of the volatility and the prices of securities, the Manager will sell or buy options on the equity, fixed-income and foreign currency markets.

#### ▪ **Securities incorporating derivatives:**

The use of securities incorporating derivatives is capped at 10% of the net assets (warrants and subscription warrant, euro medium-term notes, medium-term notes) and maximum 20% in convertible bonds with a view to achieve the investment objective and notably manage exposure to the equity markets.

- **Use of Benchmark:**

The Sub-Fund is actively managed on a discretionary basis. The Sub-Fund is not managed with reference to a Benchmark index.

- **Term Deposits:**

The Sub-Fund may invest up to 20% of its assets in deposits in Euro with a term less than or equal to three months.

- **Cash Borrowings:**

The Sub-Fund may borrow up to 10% of its assets on a temporary basis, primarily in order to handle the deferred payment procedures related to investor subscriptions and redemptions of the Sub-Fund's shares.

- **Other investment techniques and instruments:**

The Sub-Fund may also enter into securities lending and borrowing transactions and/or repurchase agreements (repo) and reverse repo. The exposure generated through securities lending and borrowing transactions and/or repurchase agreements will not exceed 100% of the Sub-Fund's net assets.

For the time being, the Sub-Fund does not use SFT. The Sub-Fund reserves the right to use SFT in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

- Existence of foreign exchange risk for shareholders.

- **Reference currency:** the reference currency of the Sub-Fund is the EUR.

- **Recommended investment horizon:** the recommended investment horizon is over 5 years.

- **Sustainability:**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector as amended (SFDR), governs the transparency requirements regarding the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of Environment, Social, and Governance (ESG) and sustainability-related information.

Sustainability risk means the occurrence of an ESG event or condition that could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment.

The Sub-Fund is managed under article 6 of the SFDR regulation and integrates ESG factors in its investment process. The Sub-Fund does not consider principal adverse impacts on sustainability factors.

In accordance with Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy), the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## Risk Profile

The specific risks of investing in the Sub-Fund are linked to:

- **Risks factors relating to the Sub-Fund's investment policy:**

**Equity risk:** Shares' prices on equity markets may fluctuate namely pursuant to investor's expectations or anticipations, causing high potential volatility risk. Volatility on equity markets has historically been much greater than the volatility of fixed income markets.

**Credit risk:** Funds investing in debt securities issued by a public, corporate, bank or sovereign organization are exposed to the possibility that this issuer will not be able to reimburse debt holders (principal and interest payment). In addition, if after acquisition the perceived risk of failure increases, the value of such securities is likely to decrease.

**Changing interest rates risk:** The market value of fixed income securities may rise or fall inversely with changes in interest rates. Interest rate involves the risk that, when interest rates increase, the market-value of fixed-income securities tends to decline.

**High yield risk:** some of the high yield securities held in the portfolio may involve increased credit and market risk; such securities are subject to the risk of an issuer's inability to meet principal and interest payments on its obligations (credit risk) and may also be subject to price volatility due to such factors as interest rate duration, market perception of the creditworthiness of the issuer and general market liquidity.

**Derivative risk:** Funds may enter into listed and unlisted derivative instruments in order to have an exposure to underlying assets or to protect their direct assets. These instruments are volatile and may be subject to various types of risks, including but not limited to market risk, liquidity risk, credit risk, counterparty risk, legal and operations risks. These derivative instruments may cause the Funds to have higher market exposure than they would have otherwise, which may in some case increase losses.

**Foreign exchange/currency risks:** The Sub-Fund is invested in securities denominated in a number of different currencies other than its reference currency. Changes in foreign currency exchange rates will affect the value of some securities and bring additional volatility.

**Sustainability risk:** The occurrence of an ESG event or condition that could, if it occurs, potentially or actually cause a material negative impact on the value of the Sub-Fund's investment. The occurrence of such an event or condition may also lead to a change in the investment strategy of the Sub-fund, including the exclusion of certain issuers' securities. Specifically, the negative impacts of sustainability risks may affect issuers through a variety of mechanisms, including: 1) lower revenues; 2) higher costs; 3) damage or depreciation of asset values; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase over the longer term.

**Risks associated with funds of funds:** a Sub-Fund, which is established as a fund of funds will invest in funds as part of its investment policy. These investments may result in the Sub-Fund being subject to multiple layers of management fees or other fees. The Net Asset Value of the Sub-Fund will mainly depend on the net asset value of the underlying Funds. The Sub-Fund will be exposed to liquidity and valuation risks due to its investment in the underlying Funds.

For a complete description about risks, please refer to the general part of the Prospectus, chapter entitled "General Risk Considerations" below. This chapter also describes the other risks linked to an investment into the Sub-Fund.

The risks of the Sub-Fund are managed through the use of the "Commitment Approach" method described under "Use of Derivative, Special Investment and hedging Techniques"- "Global Risk Exposure".

## Typical Investor Profile

An investment in any Share Class of the Sub-Fund is suitable for institutional or retail investors who:

- are looking for a diversified investment vehicle;
- can afford to set aside capital for at least 5 years;
- can tolerate significant volatility.

## Charges for this Sub-Fund

### ▪ Indirect charges:

The Sub-Fund will pay fees of the underlying funds. No subscription or redemption fee may be charged on account of a Sub-Fund's investment in the shares or units of other underlying funds that are managed directly or by delegation by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding. In any other case, the Sub-Fund will not invest in underlying funds which levy a subscription or a redemption fee higher than 6%. The Sub-Fund will invest in underlying funds for which the management fees will be 3% on average.

The Sub-Fund will also bear any potential indirect performance fees of the underlying funds.

### ▪ Direct charges:

Share class	Maximum sales charge	Maximum redemption charge	Maximum Total Expense Ratio
B EUR	Up to 4.5%	None	Up to 1.30%

## Practical Information

Investment Advisor: Massena Partners, Succursale de Paris will provide investment advisory services to the Management Company pursuant to an investment advisory agreement (the "Investment Advisory Agreement").

Massena Partners, Succursale de Paris is the French branch of Massena Partners S.A. a *Société Anonyme* incorporated under Luxembourg law on 02 march 2015 for an unlimited period of time and licensed as a Management Company under Chapter 15 of the Law.

The Investment Advisory Agreement has been made for an unlimited period unless terminated by either party giving the other at least thirty days' notice in writing or as otherwise described in the Investment Advisory Agreement. In the fulfilment of its duties, Massena Partners, Succursale de Paris is liable as provided by Luxembourg laws and regulations.

This Sub-Fund is subject to specific tax treatment in Luxembourg (please refer to the Section entitled "Taxation" below). Depending on your own country of residence, this might have an impact on your investment. For further details, please speak to an adviser.

Date of creation of the Sub-Fund: 21 April 2017

Valuation frequency: each Bank Business Day will be a Valuation Day.

With respect to this Sub-Fund, a Bank Business Day is defined as any full day on which banks and stock exchanges are open for normal banking business in Luxembourg and in France.

Any requests for subscription, redemption or conversion of Shares must be received by the Sub-Fund in Luxembourg no later than 4 p.m. (CET) on any Bank Business Day in order to be processed as of the relevant Valuation Day. If the request is received after 4 p.m. (CET), it will be processed as of the immediately following Valuation Day. The Payment of the Subscription Price must be made within 2 Bank Business Days of the Valuation Day. The payment of the Redemption Price in respect of the redeemed Shares will take place within 2 Bank Business Days following the Valuation Day.

The Sub-Fund may issue the following shares in registered form only.

Share Class	ISIN	Type of investors	Currency	Minimum initial Subscription Requirement*	Fractional Shares	Dividend Policy
B EUR	LU1473434931	All investors	Euro	1 share	no	Capitalization or Distribution on the decision of the Board of Directors

The Sub-Fund's shares are currently not listed on the Luxembourg Stock Exchange or any other stock exchange.

The relevant KID indicates where information on the historical performance of the Sub-Fund is available. The information on the portfolio of the Sub-Fund is disclosed in the annual and semi-annual reports of the SICAV. Additional information about the Sub-Fund (including full prospectus, KID and reports) may be obtained free of charge at the Registered Office of the Management Company and of the Administrative Agent. Notices to Shareholders may be published on the Management Company's website at <https://www.lu.rothschildandco.com/> under Asset Management.

## APPENDIX: R-CO LUX VALOR

<b>Name of the Sub-Fund</b>	<b>R-co Lux Valor</b>
<b>Management Company</b>	<b>Rothschild &amp; Co Investment Managers</b>
<b>Investment Manager</b>	<b>Rothschild &amp; Co Asset Management</b>

### Objectives and Investment Policy

#### Investment objective

The investment objective of R-co Lux Valor (the "Sub-Fund") is to achieve a performance by investing primarily on global equity and fixed-income markets by implementing discretionary management particularly relying on the selection of financial instruments based on the financial analysis of issuers.

#### Investment policy

The Sub-Fund invests in fixed-income transferable debt securities or convertible bonds, equities or equity related securities and in UCITS and/or other UCI (up to 10% of the net assets) having as main objective to invest in the above-mentioned asset classes, depending on market opportunities.

The Sub-Fund may therefore invest in and/or be exposed to:

- 0-75% in fixed income transferable debt securities issued by governments, public or private companies, across all maturities, rated investment grade or otherwise (with up to 20% of the net assets in high-yield securities and up to 10% of net assets in unrated securities). The Sub-Fund may invest up to 10% of its net assets in asset-backed securities, mortgage-backed securities, contingent convertible securities. The Sub-Fund does not invest in securities that are considered as in distress or in default at the time of investment. Should those securities become distressed or in default, the Sub-Fund may continue to hold them up to 10% of its net assets and shall proceed at the earliest opportunity and in the best interest of the Shareholders to sell any holdings in excess of this threshold;

The Sub-Fund will invest in and/or be exposed to bonds, negotiable debt securities (such as treasury bill, certificates of deposit, and euro commercial paper), of all maturities at fixed, variable or floating rates, profit-sharing securities, index-linked bonds, convertible bonds (up to 20%). The public/private debt mix is not determined in advance and will be achieved on the basis of market opportunities.

- 25-100% in equities across all industrial sectors, geographical zones and market capitalisation of global stock market (with up to 20% in small caps stocks and 100% in non OECD country equities). The geographic and sectorial mix of issuers is not determined in advance and will be achieved on the basis of market opportunities.
- 0-10% in UCITS and/or other UCI;
- 0-20% in ancillary liquid assets.

The Sub-Fund will invest continuously at least 25% of its total net assets into equity participations, as defined by German fund tax law (applicable provisions of the German Investment Tax Act 2018 and administrative decrees issued by the German tax authorities”).

#### ▪ Selection of securities

The selection criteria for equities are as follows:

The management process combines top-down and bottom-up approaches, allowing two sources of added value to be identified:

- The sector allocation is determined by analysing the macro-economic and financial environment.
- The selection of securities is based on a fundamental two-stage approach:
  - A quantitative analysis aimed at determining the extent to which the value is attractive by applying ratios appropriate to each industry (enterprise value/capital employed, enterprise value/gross operating result, price-earnings ratio, etc.).
  - A qualitative analysis based on an understanding of the competitive parameters, of how profitability is achieved (imbalance between supply/demand, cost advantages, patents, trademarks, regulation, etc.).

The following three sources of added value are used for the fixed-income portfolio:

- 1) **Duration:** The portfolio's duration increases when a fall in interest rates is anticipated by the manager and vice versa.
- 2) **Credit risk exposure:** The Sub-Fund management process combines top-down and bottom-up approaches, allowing two sources of added value to be identified:
  - The sector and geographical allocation is determined on the basis of an analysis of the economic and financial environment. This analysis makes it possible to identify the long-term risks and problems influencing price formation. Particular emphasis is placed on analysis of historical defaults and examination of competitive play;
  - The selection of securities is based on a fundamental two-stage approach:
    - A quantitative analysis based on the probability of default by:
      - using a large amount of public-domain data and statistics for each company;
      - comparing this data with those for companies in the same economic sector;
      - determining a theoretical value which compares favourably or unfavourably with that of the market.
    - A qualitative analysis based on:
      - the sector's sustainability;
      - study of the competitive parameters;
      - an understanding of the balance sheet;
      - an appreciation of how profitability is achieved (imbalances in supply and demand, cost advantages, patents, brands, legislation and regulations, etc.);
      - an understanding of (balance-sheet and off-balance-sheet) debt maturity ladders;
      - determination of the likelihood of intra-sector survival.
- 3) **Interest rate curve positioning:** securities with the short and very long maturities will be favoured over those with a medium-term or other maturities, depending on the manager's expectation regarding the flattening or the steepening of the interest rate curve.

The selection criteria for UCITS and/or other UCI are as follows:

The UCITS and/or other UCI are selected according to top-down approach based on asset classes. This selection is mainly carried out within the Rothschild & Co range.

#### ▪ **Use of derivatives**

In order to achieve its investment objective, the Sub-Fund may also use listed or OTC derivatives (interest rate and index swaps, forward contracts, and equity, lending and borrowing of securities, interest-rate, currency and index futures and options). With this in mind, it hedges its assets against or exposes its assets to economic sectors, geographical regions, currencies, interest-rates, equities, other type-securities and indexes.

The Sub-Fund may also sell or buy options on equity, fixed-income, and currency markets depending on the manager's expectations about changes in the volatility and prices of the underlying instruments.

The portfolio's overall exposure to stock markets, including any off-balance sheet items, will never be more than 100%. The portfolio's overall exposure to interest-rate markets, including any off-balance sheet items, is designed to keep the portfolio's modified duration within a range of -1 to 9.

The portfolio's overall exposure to the foreign exchange risk, including any off-balance sheet exposure, will not exceed 100% of the Sub-Fund's net assets.

For the time being, the Sub-Fund does not use TRS. The Sub-Fund reserves the right to use TRS in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

- **Use of SFT**

For the time being, the Sub-Fund does not use SFT. The Sub-Fund reserves the right to use SFT in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

- **Securities incorporating derivatives**

The use of securities incorporating derivatives is capped at 10% of the net assets (stock purchase warrants, euro medium-term notes, warrants, etc.) with a view to achieving the investment objective and notably managing exposure to the foreign exchange, interest-rate and equity markets.

- **Use of Benchmark:**

The Sub-Fund is actively managed on a discretionary basis. The Sub-Fund is not managed with reference to a Benchmark index.

- **Term Deposits**

The Sub-Fund may invest up to 20% of its assets in deposits with a term less than or equal to three months.

- **Cash Borrowings**

The Sub-Fund may borrow up to 10% of its assets, primarily in order to handle the deferred payment procedures related to investor subscriptions and redemptions of the Sub-Fund's shares.

- **Existence of foreign exchange risk for shareholders.**

- **Reference currency:** The reference currency of the Sub-Fund is the EUR.

- **Recommended investment horizon:** The recommended investment horizon is over 5 years.

- **Non-financial criteria**

The results of ESG research are integrated at various levels in the Investment Manager's investment process. In addition to the Investment Manager's ESG Policy (available at <https://am.eu.rothschildandco.com>), these results contribute to (i) the definition of the eligible investment universe, based on rules and exclusion mechanisms relating to ESG criteria, and to (ii) stock selection in addition to business cycle and fundamental analysis.

#### Definition of the eligible investment universe

The definition of the eligible investment universe is based on the respect of a common exclusion framework that is (i) regulatory, such as the exclusions related to the controversial weapons of the Oslo and Ottawa Conventions, as well as those related to international sanctions; and (ii) discretionary within



the Rothschild & Co Group's investment processes:

- the exclusion of companies or issuers that would not comply with certain fundamental principles;
- exclusion of companies or issuers that are not in line with the thermal coal sector investment principles in force.

The investment universe of the portfolio is composed of the indices MSCI ACWI, IHS Markit iBoxx EUR Corporates, ICE BofA Euro High Yield and Bloomberg Barclays Global Treasury; portfolio securities not included in these indices will be reinstated into the initial investment universe. The securities within the portfolio's investment universe are subject to a prior analysis of their profile with regards to Environmental, Social and Governance (ESG) criteria. The positive contribution of ESG criteria may be taken into account in investment decisions but is not a determining factor.

The proportion of positions analyzed on the basis of non-financial criteria will be higher than:

- 90% of the portion of net assets consisting of shares issued by companies with a capitalization of more than €10 billion and having their registered offices located in developed countries, debt securities and money market instruments rated investment grade, and sovereign debt issued by developed countries;
- 75% of the portion of net assets consisting of shares issued by companies with a capitalization of less than €10 billion, or whose registered office is located in non-OECD countries, as well as debt securities and money market instruments rated high yield and sovereign debt issued by non-OECD countries.

The rating of the portfolio, in terms of non-financial criteria, is higher than the rating of the initial investment universe.

#### Equity selection process integrating ESG factors

Our methodology for integrating ESG criteria into fundamental analysis and assessing sustainability issues in investment policies aims to achieve in particular the following objectives:

- Gain a better overall understanding of risks and therefore better protect portfolios;
- Refine the valuation and selection processes in order to seize new opportunities;
- And ultimately better assess the convexity of our investment choices.

To this extent, we combine our analysis capacity with a recognized external data provider, MSCI ESG Research, who rates companies from CCC to AAA (AAA being the highest rating). It takes into account the following elements in the analysis of the E, S and G pillars :

- Environmental pillar: examination of the company's exposure to environmental risks and/or opportunities/specific risks associated with its business sector and policies and, consequently, the strategies implemented to address them (physical risks associated with climate change, waste management, etc.).
- Social pillar: examination of the company's exposure to social risks and/or opportunities/specific risks associated with its business sector and policies and, consequently, the strategies implemented to address them (employee training, product safety, etc.).
- Governance pillar: examination of control bodies (level of independence of the board, accounting practices, etc.) and governance practices (anti-corruption policy, etc.).

MSCI ESG Research's rating philosophy relies in part on the materiality of ESG issues, in line with our desire to integrate ESG issues into our convexity analyses. MSCI ESG Research bases its research on public data, including especially:

- Macroeconomic and sectoral data published by governments, NGOs, and academic institutions,
- Data published directly by the companies under study: annual reports, CSR reports, etc.

In summary, for each key ESG issue identified (between 3 and 8 depending on the industry) by sector:

- MSCI ESG Research assesses the exposure of the company under review to the envisaged risk (according to its business model, its presence in certain countries, etc.) and the policies and actions implemented to manage it;
- Similarly, if this is an opportunity, within the sector in question, MSCI ESG Research examines the company's exposure to the considered opportunity and the initiatives put in place to address it.

Ratings are assigned sector by sector using a Best-in-Class approach. This approach favors the best rated companies from a non-financial point of view within their sector of activity, without favoring or excluding any sector:

- Ratings defined for each key issue are added up and weighted according to their importance within the sector under consideration to obtain an absolute overall score (from 0 to 10/10).
- MSCI ESG Research analysts then distribute the ratings across the examined sectors (from CCC to AAA). The awarded ratings are relative within each covered sector.

The Investment Manager reserves the right to rate issuers not covered by the MSCI ESG Research to which it has access using reliable data sources and a comparable analysis grid.

Investment decisions and portfolio management are based on research conducted by MSCI ESG Research as well as on the Investment Manager's own financial and non-financial analysis integrating sustainability issues. In particular, the Investment Manager relies on the annual, "sustainability", "impact" or "CSR" reports of companies, meetings with company executives, ratings from financial analysts, NGO reports, specialized academic research or open access databases such as the analyses carried out by the Science Based Target initiative (SBTi), Transition Pathway initiative (TPI) or Carbon Disclosure Project (CDP), to best incorporate ESG criteria into its' convexity analyses.

The integration of ESG factors in the Investment Manager's selection process is also based on an active engagement policy through targeted dialogue on key sustainable issues, and in case of controversy, a voting policy that respects the principles of responsible investment.

In accordance with Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy), the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

▪ **Sustainability**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosure in the financial services sector as amended (SFDR), governs the transparency requirements regarding the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of Environment, Social, and Governance (ESG) and sustainability-related information.

Sustainability risk means the occurrence of an ESG event or condition that could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk-adjusted returns for investors. The assessment of sustainability risks is complex and may be based on ESG data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that such data will be correctly assessed.

The Management Company and the Investment Manager integrate sustainability risks and opportunities into their research, analysis and investment decision-making processes in order to enhance their ability to manage risk more comprehensively and generate long-term sustainable returns for investors.

The Sub-Fund promotes certain environmental and social characteristics within the meaning of article 8 of SFDR and good governance practices. Sustainability risks are integrated into investment decisions as set out in the non-financial criteria detailed above and also through exclusion policies, non-financial rating of the portfolio, commitment policy, ESG controls in place and compliance with Rothschild & Co's coal policy.

The Investment Manager company takes into account the adverse impacts of investment decisions on sustainability factors, and specifies, in a transparent and pragmatic way, how this product considers them in its negative impact reporting policy.

Investments will follow the Investment Manager's policies on ESG and Principal Adverse Impacts available at <https://am.fr.rothschildandco.com/en/responsible-investing/documentation/>.

## Risk Profile

The specific risks of investing in the Sub-Fund are linked to:

**Equity risk:** Shares' prices on equity markets may fluctuate namely pursuant to investor's expectations or anticipations, causing high potential volatility risk. Volatility on equity markets has historically been much greater than the volatility of fixed income markets.

**Credit risk:** Funds investing in debt securities issued by a public, corporate, bank or sovereign organization are exposed to the possibility that this issuer will not be able to reimburse debt holders (principal and interest payment). In addition, if after acquisition the perceived risk of failure increases, the value of such securities is likely to decrease.

**Changing interest rates risk:** The market value of fixed income securities may rise or fall inversely with changes in interest rates. Interest rate involves the risk that, when interest rates increase, the market-value of fixed-income securities tends to decline.

**Risk associated with ABS/MBS:** Certain Funds may invest in mortgage-backed ("MBS") and asset-backed securities ("ABS"). ABS and MBS provide exposure, synthetically or otherwise, to underlying assets and the risk/return profile is determined by the cash flows derived from such assets. The price of such securities could be contingent on, or highly sensitive to, changes in the underlying components of the securities. These securities are subject to high degrees of credit, valuation and liquidity risks. Interest rate risk is greater for MBS and ABS than for many other types of debt securities because they are generally more sensitive to changes in interest rates. These types of securities are subject to prepayment – borrowers paying off mortgages or loans sooner than expected – when interest rates fall. As a result, when interest rates rise, the effective maturities of mortgage-related and asset-backed securities tend to lengthen, and the value of the securities decreases more significantly. The result is lower returns to the Fund because the Fund must reinvest assets previously invested in these types of securities in securities with lower interest rates.

**Risk associated with contingent convertible securities:** Contingent convertible securities ('CoCos') are a form of hybrid debt security issued by banks to meet post financial crisis regulatory requirements, in particular to absorb losses in times of stress. CoCos are intended to either convert into equity or have their principal written down upon the occurrence of certain 'triggers' linked to regulatory capital thresholds or where the issuing banking institution's regulatory authorities considers this to be necessary. Because conversion occurs after a specified event, conversion may occur when the share price of the underlying equity is less than when the security was issued or purchased, resulting in greater potential compared to conventional convertible securities for capital loss. Investments in contingent convertible securities may also specific risks related to trigger levels (trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level), cancellation of coupons (Coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time), capital structure inversion (In certain scenarios, holders of CoCos may suffer losses of capital when equity holders do not), call extension (some CoCos are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority). Furthermore the structure of CoCos is innovative yet untested, and it is uncertain how they will perform.

**Risk linked to non-financial criteria (ESG):** The consideration of sustainability risks and ESG criteria in the investment process relies on the use of non-financial criteria. Their application may lead to the exclusion of issuers and the loss of certain market opportunities. Consequently, fund performance may be higher or lower than that of a fund that does not take these criteria into account. ESG data, whether from internal or external sources, is based on valuations without strict market standards. This leaves room for a degree of subjectivity that can result in an issuer rating that differs significantly from one provider to another. In addition, ESG criteria may be incomplete or inaccurate. There is a risk of incorrect rating of a security or issuer. These different aspects make it difficult to compare strategies incorporating ESG criteria.

**Sustainability risk:** The occurrence of an ESG event or condition that could, if it occurs, potentially or actually cause a material negative impact on the value of the Sub-Fund's investment. The occurrence of

such an event or condition may also lead to a change in the investment strategy of the Sub-fund, including the exclusion of certain issuers' securities. Specifically, the negative impacts of sustainability risks may affect issuers through a variety of mechanisms, including: 1) lower revenues; 2) higher costs; 3) damage or depreciation of asset values; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase over the longer term.

**Derivative risk:** Funds may enter into listed and unlisted derivative instruments in order to have an exposure to underlying assets or to protect their direct assets. These instruments are volatile and may be subject to various types of risks, including but not limited to market risk, liquidity risk, credit risk, counterparty risk, legal and operations risks. These derivative instruments may cause the Funds to have higher market exposure than they would have otherwise, which may in some case increase losses.

**Foreign exchange/currency risks:** The Sub-Fund is invested in securities denominated in a number of different currencies other than its reference currency. Changes in foreign currency exchange rates will affect the value of some securities and bring additional volatility.

For a complete description about risks, please refer to the prospectus of the Sub-Fund and also the general part of the Prospectus, chapter entitled "General Risk Considerations" below. This chapter also describes the other risks linked to an investment into the Sub-Fund.

The risks of the Sub-Fund are managed through the use of the "Commitment Approach" method described under "Use of Derivative, Special Investment and hedging Techniques"- "Global Risk Exposure".

## Typical Investor Profile

An investment in any Share Class of the Sub-Fund is suitable for institutional or retail investors who:

- are looking for a diversified investment vehicle (allowing exposure to fixed-income and/or equities, depending on market opportunities);
- can afford to set aside capital for at least 5 years;
- can tolerate significant volatility.

## Charges for this Sub-Fund

Share class	Maximum sales charge	Maximum redemption charge	Maximum Total Expense Ratio
C EUR	Up to 3 %	None	Up to 1.75%
F EUR	Up to 3%	None	Up to 2.10%
P EUR	Up to 3%	None	Up to 1.25%

## Practical Information

This Sub-Fund is subject to specific tax treatment in Luxembourg (please refer to the Section entitled "Taxation" below). Depending on your own country of residence, this might have an impact on your investment. For further details, please speak to an adviser.

The date of creation of the Sub-Fund: 30 September 2016

Valuation frequency: each Bank Business Day will be a Valuation Day, hereinafter referred as "D".

With respect to this Sub-Fund, a Bank Business Day is defined as any full day on which banks and stock exchanges are open for normal banking business in Luxembourg and in France.

Any requests for subscription, redemption or conversion of Shares must be received by the Sub-Fund in

Luxembourg no later than 2:00 p.m. (CET) on any Bank Business Day (D-1) preceding the relevant Valuation Day (D). If the request is received after 2:00 p.m. (CET), it will be processed as of the immediately following Valuation Day (D+1). The Payment of the Subscription Price must be made within 2 Bank Business Days of the Valuation Day. The payment of the Redemption Price in respect of the redeemed Shares will take place within 2 Bank Business Days following the Valuation Day.

The Sub-Fund may issue the following shares in registered form only. The issuance of fractions of Shares to a maximum of four decimal places is permitted.

Share Class	ISIN	Type of investors	Currency	Minimum initial Subscription Requirement*	Fractional Shares	Dividend Policy
C EUR	LU1303788621	All investors	Euro	€2,500	yes	Capitalization
F EUR	LU1303788977	All investors	Euro	1 share	yes	Capitalization
P EUR	LU1303789199	Reserved for investors subscribing through distributors and intermediaries subject to the conditions below **	Euro	€5,000	yes	Capitalization

\* The Board of Directors reserves the right to waive these minimum initial subscription requirements.

\*\* Class P Shares are reserved for investors subscribing through distributors and intermediaries who (i) are subject to local regulations prohibiting distributors from receiving trailer fees (e.g. United Kingdom and the Netherlands) or (ii) provide independent advice (as defined under Mifid II European Regulation) or individual portfolio management (mandate). Class P Shares are meant to comply with the restrictions on the payment of commissions set-out under the FCA Handbook in relation to Retail Distribution Review.

The Sub-Fund's shares are currently not listed on the Luxembourg Stock Exchange or any other stock exchange.

The relevant KID indicates where information on the historical performance of the Sub-Fund is available. The information on the portfolio of the Sub-Fund is disclosed in the annual and semi-annual reports of the SICAV. Additional information about the Sub-Fund (including full prospectus, KID and reports) may be obtained free of charge at the Registered Office of the Management Company and of the Administrative Agent. Notices to Shareholders may be published on the Management Company's website at <https://www.lu.rothschildandco.com/> under Asset Management.

## APPENDIX: VITAL FLEX PATRIMOINE

<b>Name of the Sub-Fund</b>	<b>Vital Flex Patrimoine</b>
<b>Management Company</b>	<b>Rothschild &amp; Co Investment Managers</b>
<b>Investment Manager</b>	<b>Rothschild &amp; Co Asset Management</b>
<b>Investment Advisor</b>	<b>Vitalepargne</b>

### Objectives and Investment Policy

#### Investment objective:

The investment objective of Vital Flex Patrimoine (the "Sub-Fund") over the recommended investment period of 3 years is to aim to outperform its benchmark composed of 50% Iboxx Euro Eurozone Sovereign Overall (QW1A Index) + 30% (Capitalized ESTER+0,085%) + 15% Stoxx 600 DR® (dated D-1, converted in euro and dividends reinvested) + 5% MSCI Daily TR Net World Ex Europe \$ converted into € (dated D-1 and dividends reinvested), by investing mainly in Underlying Funds while aiming to manage the annual average volatility of its portfolio at/or below 6% in normal market conditions.

To achieve its investment objective, the Sub-Fund will invest principally in UCITS and/or other UCI, and in particular the Sub-Fund may invest:

- 55-100% of its total net assets in UCITS and/or other UCI (within the aggregate limit of 30% detailed below) including ETFs domiciled in the European Union having as main investment objective to invest in:
  - o fixed income securities (including convertible bonds) issued or guaranteed by sovereign governments and public or private companies, of any quality and across all geographical zones. The Sub-Fund may be exposed indirectly, up to 50% of its net assets, to high yield securities through its investments in Underlying Funds specialized in high yield securities;
  - o a diversified portfolio of equities, fixed income securities and money market instruments, this will also include absolute return funds; and/or
  - o certificates of deposit, commercial paper and treasury bills.
  
- 0-35% of its total net assets in UCITS and/or other UCI (within the aggregate limit of 30% detailed below) including ETFs domiciled in the European Union having as main investment objective to invest in equity securities of companies across all geographical zones and sizes of capitalization;

provided that investments in units of UCI other than UCITS comply with the eligibility criteria detailed the general part of the Prospectus, chapter entitled "Investment Restrictions" below and may not in aggregate exceed 30% of the net assets of the Sub-Fund.

The allocation between the different types of assets is discretionary, while aiming to manage the annual average volatility of the portfolio at/or below 6% in normal market conditions.

Through these investments, the Sub-Fund may be exposed to a limited extent to asset-backed securities, mortgage-backed securities, contingent convertible securities, or securities considered as in distress or in default.

The Sub-Fund may hold ancillary liquid assets up to 20% maximum.

#### ▪ Use of Derivatives:

The Sub-Fund may, for efficient portfolio management and for hedging purposes, use financial derivative instruments, traded on regulated markets or over-the-counter within the limit set forth in the Chapter "Use of Derivative, Special Investment and hedging techniques" of this Prospectus and any applicable legal provisions.

The Sub-Fund's global exposure through derivatives instruments shall not exceed 100% of its total net assets.

For the time being, the Sub-Fund does not use TRS. The Sub-Fund reserves the right to use TRS in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

▪ **Use of SFT:**

For the time being, the Sub-Fund does not use SFT. The Sub-Fund reserves the right to use SFT in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

▪ **Use of Benchmark:**

The Sub-Fund is not an index-based UCITS. The composition may deviate significantly from the weightings and components of its indicative benchmark. Further details on the indicative benchmark are included under section Indicative Benchmark Index below.

▪ **Term Deposits:**

The Sub-Fund may invest up to 10% of its assets in deposits with a term less than or equal to three months.

▪ **Cash Borrowings:**

The Sub-Fund may borrow up to 10% of its assets on a temporary basis, primarily in order to handle the deferred payment procedures related to investor subscriptions and redemptions of the Sub-Fund's shares.

▪ **Reference currency:**

The reference currency of the Sub-Fund is the EUR.

▪ **Investment horizon:**

The recommended investment horizon is over 3 years.

▪ **Sustainability:**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector as amended (SFDR), governs the transparency requirements regarding the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of Environment, Social, and Governance (ESG) and sustainability-related information.

Sustainability risk means the occurrence of an ESG event or condition that could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment.

The Sub-Fund is managed under article 6 of the SFDR regulation and integrates ESG factors in its investment process. The Sub-Fund does not consider principal adverse impacts on sustainability factors.

In accordance with Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy), the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## Benchmark Index

The Sub-Fund's benchmark is composed of 50% Iboxx Euro Eurozone Sovereign Overall + 30% (Capitalized ESTER+0,085%) + 15% Stoxx 600 DR® (dated D-1, converted in euro and dividends reinvested) + 5% MSCI Daily TR Net World Ex Europe \$ converted into € (dated D-1 and dividends reinvested).

The **Iboxx Euro Eurozone Sovereign Overall** (QW1A Index) is a bond index made up of government bonds from Eurozone countries of all maturities. It is denominated in euros and calculated with net coupons reinvested. This index is calculated by IHS Markit Benchmark Administration Limited and is available on the website <http://www.ihsmarkit.com>. Following the UK's departure from the EU, IHS Markit Benchmark Administration Limited is no longer listed on the ESMA register of benchmark administrators. Transitional provisions following Brexit authorize the continued use of benchmarks administered by index administrators based in the UK and authorized by the UK Financial Conduct Authority as a non-EU based administrator during a transitional period.

The **ESTER/€STR (OISESTR)** (Euro Short Term Rate) is a euro short-term rate developed by the ECB based on data collected on the money market by the Eurosystem for statistical purposes. The €STR rate reflects the wholesale euro unsecured overnight borrowing costs of banks located in the eurozone. It supplements existing private-sector reference rates serving as a support reference rate and will gradually replace the EONIA.

The administrator of the ESTER is exempt from article 2.2 of the benchmark regulation as a central bank and is therefore not entered on the Register of administrators and benchmarks maintained by the ESMA.

The **Stoxx 600 DR®** (Ticker: SXXR) is designed to reflect the performance of 600 leading companies in European countries. It is calculated by Stoxx Ltd and is available on the website [www.stoxx.com](http://www.stoxx.com). Stoxx Ltd is listed on the ESMA Register of benchmark administrators.

The **MSCI Daily TR Net World Ex Europe \$ converted into €** (Ticker: NDDUWXEU), calculated by the Morgan Stanley company, reflects the global large caps leaders in the industrialised economies outside the Eurozone, dividends reinvested, converted into euros. This index is available at the following address: [www.msci.com](http://www.msci.com). Following the UK's departure from the EU, MSCI Limited is no longer listed on the ESMA register of benchmark administrators. Transitional provisions following Brexit authorize the continued use of benchmarks administered by index administrators based in the UK and authorized by the UK Financial Conduct Authority as a non-EU based administrator during a transitional period. The Management Company has and maintains a procedure setting out the actions to be taken should any of the indices used as benchmark materially change or cease to be provided. This procedure is available upon request at the Management Company's registered office.

Disclosure of this benchmark is for information purposes only and does not constitute a commitment by the Investment Manager to follow or manage the Sub-Fund in relation to this benchmark at all times.

## Risk Profile

The specific risks of investing in the Sub-Fund are linked to:

### Risks on the underlying assets:

**Credit risk:** Funds investing in debt securities issued by a public, corporate, bank or sovereign organization are exposed to the possibility that this issuer will not be able to reimburse debt holders (principal and interest payment). In addition, if after acquisition the perceived risk of failure increases, the value of such securities is likely to decrease.

**Changing interest rates risk:** The market value of fixed income securities may rise or fall inversely with changes in interest rates. Interest rate involves the risk that, when interest rates increase, the market-value of fixed-income securities tends to decline.

**Equity risk:** Shares' prices on equity markets may fluctuate namely pursuant to investor's expectations or anticipations, causing high potential volatility risk. Volatility on equity markets has historically been



much greater than the volatility of fixed income markets.

**Convertible security risks:** Funds may invest in convertible securities which are securities generally offering fixed interest or dividend yields which may be converted either at a stated price or stated rate for common or preferred stock. Although to a lesser extent than with fixed income securities generally, the market value of convertible securities tends to decline as interest rates or credit risk rise. Because of the conversion feature, the market value of convertible securities also tends to vary with fluctuations in the market value and volatility of the underlying common or preferred stock.

**Risk associated with ABS/MBS:** Certain Funds may invest in mortgage-backed (“MBS”) and asset-backed securities (“ABS”). ABS and MBS provide exposure, synthetically or otherwise, to underlying assets and the risk/return profile is determined by the cash flows derived from such assets. The price of such securities could be contingent on, or highly sensitive to, changes in the underlying components of the securities. These securities are subject to high degrees of credit, valuation and liquidity risks. Interest rate risk is greater for MBS and ABS than for many other types of debt securities because they are generally more sensitive to changes in interest rates. These types of securities are subject to prepayment – borrowers paying off mortgages or loans sooner than expected – when interest rates fall. As a result, when interest rates rise, the effective maturities of mortgage-related and asset-backed securities tend to lengthen, and the value of the securities decreases more significantly. The result is lower returns to the Fund because the Fund must reinvest assets previously invested in these types of securities in securities with lower interest rates.

**Risk associated with contingent convertible securities:** Contingent convertible securities (‘CoCos’) are a form of hybrid debt security issued by banks to meet post financial crisis regulatory requirements, in particular to absorb losses in times of stress. CoCos are intended to either convert into equity or have their principal written down upon the occurrence of certain ‘triggers’ linked to regulatory capital thresholds or where the issuing banking institution’s regulatory authorities considers this to be necessary. Because conversion occurs after a specified event, conversion may occur when the share price of the underlying equity is less than when the security was issued or purchased, resulting in greater potential compared to conventional convertible securities for capital loss. Investments in contingent convertible securities may also specific risks related to trigger levels (trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level), cancellation of coupons (Coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time), capital structure inversion (In certain scenarios, holders of CoCos may suffer losses of capital when equity holders do not), call extension (some CoCos are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority). Furthermore the structure of CoCos is innovative yet untested, and it is uncertain how they will perform.

#### **Risks on the sub-fund:**

**Foreign exchange/currency risks:** When Funds invest in securities denominated in a number of different currencies other than their reference currency, changes in foreign currency exchange rates will affect the value of some securities and bring additional volatility.

**Derivative:** Funds may enter into listed and unlisted derivative instruments in order to have an exposure to underlying assets or to protect their direct assets. These instruments are volatile and may be subject to various types of risks, including but not limited to market risk, liquidity risk, credit risk, counterparty risk, legal and operations risks. These derivative instruments may cause the Funds to have higher market exposure than they would have otherwise, which may in some case increase losses.

**Counterparty risk:** Unlisted derivative instruments are agreed with a specific counterparty. If the counterparty goes into liquidation, defaults, or fails to meet payment obligations when due, Fund could suffer a loss. Because they are not listed, these derivatives can be difficult to price.

**Sustainability risk:** The occurrence of an ESG event or condition that could, if it occurs, potentially or actually cause a material negative impact on the value of the Sub-Fund's investment. The occurrence of such an event or condition may also lead to a change in the investment strategy of the Sub-fund, including the exclusion of certain issuers’ securities. Specifically, the negative impacts of sustainability risks may affect issuers through a variety of mechanisms, including: 1) lower revenues; 2) higher costs; 3) damage

or depreciation of asset values; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase over the longer term.

For a complete description about risks, please refer to the general part of the Prospectus, chapter entitled "General Risk Considerations" below. This chapter also describes the other risks linked to an investment into the Sub-Fund.

The risks of the Sub-Fund are managed through the use of the "Commitment Approach" method described under "Use of Derivative, Special Investment and hedging Techniques"- "Global Risk Exposure".

## Typical Investor Profile

An investment in any Share Class of the Sub-Fund is suitable for institutional or retail investors who:

- are looking for a diversified investment vehicle;
- can afford to set aside capital for at least 3 years;
- can accept temporary losses and can tolerate important volatility.

## Charges for this Sub-Fund

### ▪ Indirect charges

The Sub-Fund will pay fees of the Underlying Funds. No subscription or redemption fee may be charged on account of a Sub-Fund's investment in the shares or units of other Underlying Funds that are managed directly or by delegation by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding. In any other case, the Sub-Fund will not invest in Underlying Funds which levy a subscription or a redemption fee higher than 3%. The Sub-Fund will invest in Underlying Funds for which the management fees will not exceed 2%.

### ▪ Direct charges

Share class	Maximum sales charge	Maximum redemption charge	Maximum Total Expense Ratio
C EUR	Up to 3%	None	Up to 1.80%

### ▪ Performance fee

The Investment Manager will receive a performance fee payable annually in arrears based on the performance of the Sub-Fund (the "Performance Fee") in reference to the Sub-Fund's benchmark (benchmark model). Such fee shall be equal to 15% of the Sub-Fund's outperformance in relation to the Sub-Fund's benchmark. Any underperformance of the Sub-Fund (over a period of maximum 5 years) compared to a reference fund achieving a performance equal to the benchmark's performance [50% Iboxx Euro Eurozone Sovereign Overall (QW1A Index) + 30% (Ester+0,085%) + 15% Stoxx 600 DR® (dated D-1, converted in euro and dividends reinvested) + 5% MSCI Daily TR Net World Ex Europe \$ converted into € (dated D-1 and dividends reinvested)] and having the same subscription and redemption operations as the Sub-Fund, must be compensated before any Performance Fee become payable.

If another year of underperformance occurred within this first 5 years period and has not been recovered by the end of this first period, a new period of maximum 5 years will start from this new year of underperformance.

For this purpose, the Performance Fee is calculated over a maximum period of five years by comparing the performance of the assets of the Sub-Fund (coupons reinvested and excluding performance fees) with the assets of a reference fund:

- whose starting value is that of the assets of the Sub-Fund:
  - i. where Performance Fees have been charged in the last five financial years, at the closing date of the most recent financial year when a Performance Fee was charged,
  - ii. or, failing that, the opening date of the earliest financial year of the last four financial years for which underperformance has not been offset or the end of the previous financial year if no underperformance is to be offset in the last four financial years,
  - iii. or, failing that, the launch date of the Sub-Fund;
- and therefore having a daily performance equal to that of the benchmark recording the same variations in subscriptions and redemptions as the Sub-Fund.

If, at the close of the financial year, the assets of the Sub-Fund (excluding Performance Fees) exceed the assets of the reference fund with the above starting value, then a Performance Fee equal to 15% (inclusive of tax) of the difference in valuation between the assets of the Sub-Fund and the reference fund is charged. A Performance Fee may be charged if the Sub-Fund has outperformed the benchmark but has recorded a negative performance during the year.

The Performance Fees are provisioned on each Valuation Day and, where applicable, are effectively paid at the end of each financial year.

The provision will be reversed each time the difference between the two assets decreases. In the event of underperformance (where the Sub-Fund's assets are valued less than the reference fund's assets), the provisions will be reversed until the overall allocation is extinguished, excluding Performance Fees earned. The provisions existing at the end of the financial year and the portion of Performance Fees resulting from the redemption of Shares during the financial year will be paid to the Investment Manager.

Examples of outperformance Fee calculations:

	<b>Net performance (*)</b>	<b>Underperformance (*) to be offset the following year</b>	<b>Performance Fee Charged</b>	<b>Explanations</b>
Y0				
Y1	5%	0%	Yes	
Y2	0%	0%	No	
Y3	-5%	-5%	No	
Y4	3%	-2%	No	
Y5	2%	0%	No	
Y6	5%	0%	Yes	
Y7	5%	0%	Yes	
Y8	-10%	-10%	No	
Y9	2%	-8%	No	
Y10	2%	-6%	No	
Y11	2%	-4%	No	
Y12	0%	0%	No	The underperformance of Y12 to be carried forward to the next year (Y13) is 0% (not -4%) as the residual underperformance from Y8 that was not yet compensated (-4%) is no longer relevant as the 5-year period has elapsed (the underperformance of Y8 is compensated until Y12).

(\*) of the Sub-Fund compared to the reference fund

The Investment Advisor may receive a portion of the Performance Fee paid to the Investment Manager.

## Practical Information

Investment Advisor: Vitalepargne will provide investment advisory services to the Investment Manager pursuant to an investment advisory agreement (the "Investment Advisory Agreement") signed between the Investment Manager and the Investment Advisor.

Vitalepargne is a Financial Investment Advisor, Insurance Broker registered with the French register of insurance, banking and financial intermediaries ORIAS under N°07004757 and member of the *Chambre Nationale des Conseils en Gestion de Patrimoine*.

The Investment Advisory Agreement has been made for an unlimited period unless terminated by either party as described in the Investment Advisory Agreement. In the fulfilment of its duties, Vitalepargne is liable as provided by French laws and regulations.

This Sub-Fund is subject to specific tax treatment in Luxembourg (please refer to the Section entitled "Taxation" below"). Depending on your own country of residence, this might have an impact on your investment. For further details, please speak to an adviser.

Date of creation of the Sub-Fund: 28 February 2018

Valuation frequency: each Bank Business Day will be a Valuation Day.

With respect to this Sub-Fund, a Bank Business Day is defined as any full day on which banks and stock exchanges are open for normal banking business in Luxembourg and in France.

Any requests for subscription, redemption or conversion of Shares must be received by the Sub-Fund in Luxembourg no later than 11:00 a.m. (CET) on any Bank Business Day (D-1) preceding the relevant Valuation Day (D). Any request received after 11:00 a.m. (CET) will be processed as of the immediately following Valuation Day (D+1). The Payment of the Subscription Price must be made within 2 Bank Business Days of the Valuation Day (D+2). The payment of the Redemption Price in respect of the redeemed Shares will take place within 3 Bank Business Days following the Valuation Day (D+3).

The Sub-Fund may issue the following shares in registered form only. The issuance of fractions of Shares to a maximum of four decimal places is permitted.

Share Class	ISIN	Type of investors	Currency	Minimum initial Subscription Requirement*	Fractional Shares	Dividend Policy
C EUR	LU1734560003	Reserved for investors who are clients of Vitalepargne	Euro	1 share (initial NAV : €100)	yes	Capitalization

\*The Board of Directors reserves the right to waive these minimum initial subscription requirements.

The Sub-Fund's shares are currently not listed on the Luxembourg Stock Exchange or any other stock exchange.

The relevant KID indicates where information on the historical performance of the Sub-Fund is available. The information on the portfolio of the Sub-Fund is disclosed in the annual and semi-annual reports of the SICAV. Additional information about the Sub-Fund (including full prospectus, KID and reports) may be obtained free of charge at the Registered Office of the Management Company and of the Administrative Agent. Notices to Shareholders may be published on the Management Company's website at <https://www.lu.rothschildandco.com/> under Asset Management.

## APPENDIX: R-Co Lux Optimal Patrimoine

<b>Name of the Sub-Fund</b>	<b>R-co Lux Optimal Patrimoine</b>
<b>Management Company</b>	<b>Rothschild &amp; Co Investment Managers</b>
<b>Investment Manager</b>	<b>Rothschild &amp; Co Asset Management</b>

### Objectives and Investment Policy

#### Investment objective:

The investment objective of R-co Lux Optimal Patrimoine (the "Sub-Fund") is to aim to outperform its indicative benchmark over the recommended minimum investment horizon (over 5 years). The indicative benchmark is composed of: 50% MSCI Daily TR Net World (NDDUWI)+ 30% JPM GBI EMU (JPMGEMLC) + 20% ESTER (OISESTR).

To achieve its investment objective, the Sub-Fund will mainly invest in UCITS and/or other UCIs including listed UCIs/ETFs (Exchange Traded Funds), provided that investments in units of UCIs other than UCITS comply with the eligibility criteria detailed the general part of the Prospectus, chapter entitled "Investment Restrictions" below and may not in aggregate exceed 30% of the net assets of the Sub-Fund.

In particular, the Sub-Fund may invest:

- 30-70% of its total net assets in equity securities across all geographical zones (with up to 20% of the net assets to non-OECD countries, including emerging markets) and all market capitalisation of global stock market (with up to 30% in small cap stocks). The Sub-Fund will be exposed to equity markets through direct investments in equity securities (up to 10% of its net assets), and indirectly through investments in UCITS and/or UCIs (within the aggregate limit of 30% detailed below) including ETFs having as main investment objective to invest in equity securities as detailed above, as well as in derivative instruments.
- 20-70% of its net assets in UCITS and/or other UCIs (within the aggregate limit of 30% detailed above) including ETFs as well as in derivative instruments having as main objective to invest in:
  - fixed income securities including bonds, negotiable debt securities (such as treasury bill, certificates of deposit, and euro commercial paper), at fixed, variable or floating rates, index-linked bonds, money market instruments, of any quality with up to 30% in UCITS/UCIs/ETFs specialized in high yield fixed income securities, of all maturities and across all geographical zones (with up to 20% of the net assets to non-OECD countries including emerging markets specialized UCITS/UCIs/ETFs). The public/private debt mix is not determined in advance and will be achieved on the basis of market opportunities; and/or
  - a diversified portfolio of equity securities, fixed income securities and money market instruments, this will also include absolute return funds with a maximum of 20% of its net assets.
- The Sub-Fund may hold up to 10% of its net assets in ancillary liquid assets.

Through these investments, the Sub-Fund may be exposed to a limited extent to asset-backed securities, mortgage-backed securities, contingent convertible securities, or securities considered as in distress or in default.

The portfolio's overall exposure to the foreign exchange risk, including any off-balance sheet exposure, will not exceed 100% of the Sub-Fund's net assets.

The Sub-Fund's portfolio is managed in a flexible, active and discretionary manner, in terms of styles, geographical areas and products.

- **Use of Derivatives:**

The Sub-Fund may also use listed derivatives (equity, interest-rate and currency futures) for investment and hedging purposes, within the limit set forth in the Chapter "Use of Derivative, Special Investment and hedging techniques" of this Prospectus and any applicable legal provisions. With this in mind, it hedges its assets against or exposes its assets to economic sectors, geographical regions, currencies and equities.

For the time being, the Sub-Fund does not use TRS. The Sub-Fund reserves the right to use TRS in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

- **Use of SFT:**

For the time being, the Sub-Fund does not use SFT. The Sub-Fund reserves the right to use SFT in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

- **Use of Benchmark:**

The Sub-Fund is not an index-based UCITS, it is actively managed. The composition may deviate significantly from the weightings and components of its indicative benchmark, and its performance may significantly differ from that of its indicative benchmark. Further details on the indicative benchmark are included under section Indicative Benchmark Index below.

- **Term Deposits:**

The Sub-Fund may invest up to 10% of its assets in deposits with a term less than or equal to three months.

- **Cash Borrowings:**

The Sub-Fund may borrow up to 10% of its assets on a temporary basis, primarily in order to handle the deferred payment procedures related to investor subscriptions and redemptions of the Sub-Fund's shares.

- **Reference currency:**

The reference currency of the Sub-Fund is the EUR.

- **Recommended investment horizon:**

The recommended investment horizon is over 5 years.

- **Sustainability**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosure in the financial services sector as amended (SFDR), governs the transparency requirements regarding the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of Environment, Social, and Governance (ESG) and sustainability-related information.

Sustainability risk means the occurrence of an ESG event or condition that could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk-adjusted returns for investors. The assessment of sustainability risks is complex and may be based on ESG data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that such data will be correctly assessed.

The Management Company and the Investment Manager integrate sustainability risks and opportunities into their research, analysis and investment decision-making processes in order to enhance their ability to manage risk more comprehensively and generate long-term sustainable returns for investors.

The Sub-Fund promotes certain environmental and social characteristics within the meaning of article 8 of SFDR and good governance practices. The indicative benchmark has not been designated to determine whether the Sub-Fund is aligned with the environmental and/or social characteristics that it promotes. The Sub-Fund will however invest a minimum of 60% in underlying funds that are themselves classified as Article 8 or 9 under the SFDR. Sustainability risks are integrated into investment decisions by taking into account non-financial criteria and also through exclusion policies, non-financial rating of the portfolio, commitment policy, ESG controls in place and compliance with Rothschild & Co's coal policy.

The Investment Manager company takes into account the adverse impacts of investment decisions on sustainability factors, and specifies, in a transparent and pragmatic way, how this product considers them in its negative impact reporting policy.

Investments will follow the Investment Manager's policies on ESG and Principal Adverse Impacts available at <https://am.fr.rothschildandco.com/en/responsible-investing/documentation/>.

In accordance with Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy), the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## Benchmark Index

The Sub-Fund's benchmark is composed of 50% MSCI Daily TR Net World (NDDUWI) + 30% JPM GBI EMU (JPMGEMLC) + 20% ESTER (OISESTR).

The **MSCI Daily TR Net World** (Bloomberg Ticker: NDDUWI), calculated by the Morgan Stanley company, captures large and mid cap representation across 23 Developed Markets (DM) countries.

The euro-denominated index (administered by Morgan Stanley Capital International Inc.) is representative of the performance of global equity markets. It is calculated with dividends reinvested, on closing prices. The index is available at [www.msci.com](http://www.msci.com).

Following the UK's departure from the EU, MSCI Limited is no longer listed on the ESMA register of benchmark administrators. Transitional provisions following Brexit authorize the continued use of benchmarks administered by index administrators based in the UK and authorized by the UK Financial Conduct Authority as a non-EU based administrator during a transitional period.

The **JPM GBI EMU** (Bloomberg Ticker: JPMGEMLC) index, administered by JP Morgan, is composed of debt securities of different maturities, denominated in euros and issued by Eurozone governments. The index is calculated with coupons reinvested. This index is available on the website [www.jpmmorganindices.com](http://www.jpmmorganindices.com). Following the UK's departure from the EU, MSCI Limited is no longer listed on the ESMA register of benchmark administrators. Transitional provisions following Brexit authorize the continued use of benchmarks administered by index administrators based in the UK and authorized by the UK Financial Conduct Authority as a non-EU based administrator during a transitional period.

The **ESTER/€STR (OISESTR)** (Euro Short Term Rate) is a euro short-term rate developed by the ECB based on data collected on the money market by the Eurosystem for statistical purposes. The €STR rate reflects the wholesale euro unsecured overnight borrowing costs of banks located in the eurozone. It supplements existing private-sector reference rates serving as a support reference rate and will gradually replace the EONIA.

The administrator of the ESTER is exempt from article 2.2 of the benchmark regulation as a central bank and is therefore not entered on the Register of administrators and benchmarks maintained by the ESMA.

The Management Company has and maintains a procedure setting out the actions to be taken should any of the indices used as benchmark materially change or cease to be provided. This procedure is available upon request at the Management Company's registered office.

## Risk Profile

The specific risks of investing in the Sub-Fund are linked to:

**Discretionary management risk:** The discretionary management style applied to the Sub-Fund is based on the anticipation of the evolution of the various markets and/or on the selection of securities. There is a risk that the Sub-Fund may not be invested in the best performing markets or securities at all times. The performance of the Sub-Fund may therefore be lower than the management objective. The net asset value of the Sub-Fund may also have a negative performance.

**Equity risk:** Shares' prices on equity markets may fluctuate namely pursuant to investor's expectations or anticipations, causing high potential volatility risk. Volatility on equity markets has historically been much greater than the volatility of fixed income markets.

**Changing interest rates risk:** The market value of fixed income securities may rise or fall inversely with changes in interest rates. Interest rate involves the risk that, when interest rates increase, the market-value of fixed-income securities tends to decline.

**Credit risk:** Funds investing in debt securities issued by a public, corporate, bank or sovereign organization are exposed to the possibility that this issuer will not be able to reimburse debt holders (principal and interest payment). In addition, if after acquisition the perceived risk of failure increases, the value of such securities is likely to decrease.

**Risk associated with absolute return management strategies:** Absolute return management strategies are techniques which consist in particular in taking advantage of observed (or anticipated) price differences between markets and/or sectors and/or securities and/or currencies and/or instruments. In the event of unfavorable developments in these positions (e.g. an increase in short transactions and/or a decrease in long transactions), the net asset value of these funds or investment funds may decrease. It is also possible that these management strategies may cause the net asset value of the sub-fund to decrease in the event of a rise in the financial markets (equity and/or bond and/or commodity markets).

**Foreign exchange/currency risks:** The Master Fund is invested in securities denominated in a number of different currencies other than its reference currency. Changes in foreign currency exchange rates will affect the value of some securities and bring additional volatility.

**Emerging Market risk:** Investments in emerging market securities involve certain risks, such as illiquidity and volatility, which may be greater than those generally associated with investing in developed markets. Some governments exercise substantial influence over the private economic sector and investment may be affected by political and economic instability. The extent of economic development, political stability, market depth, infrastructure, capitalization, and regulatory oversight in emerging market economies may be less than in more developed countries.

**Convertible security risks:** Funds may invest in convertible securities which are securities generally offering fixed interest or dividend yields which may be converted either at a stated price or stated rate for common or preferred stock. Although to a lesser extent than with fixed income securities generally, the market value of convertible securities tends to decline as interest rates or credit risk rise. Because of the conversion feature, the market value of convertible securities also tends to vary with fluctuations in the market value and volatility of the underlying common or preferred stock.

**Risk associated with ABS/MBS:** Certain Funds may invest in mortgage-backed ("MBS") and asset-backed securities ("ABS"). ABS and MBS provide exposure, synthetically or otherwise, to underlying assets and the risk/return profile is determined by the cash flows derived from such assets. The price of such securities could be contingent on, or highly sensitive to, changes in the underlying components of the securities. These securities are subject to high degrees of credit, valuation and liquidity risks. Interest rate risk is greater for MBS and ABS than for many other types of debt securities because they are generally more sensitive to changes in interest rates. These types of securities are subject to prepayment – borrowers paying off mortgages or loans sooner than expected – when interest rates fall. As a result, when interest rates rise, the effective maturities of mortgage-related and asset-backed securities tend to lengthen, and the value of the securities decreases more significantly. The result is lower returns to the Fund because the Fund must reinvest assets previously invested in these types of securities in securities



with lower interest rates.

**Risk associated with contingent convertible securities:** Contingent convertible securities ('CoCos') are a form of hybrid debt security issued by banks to meet post financial crisis regulatory requirements, in particular to absorb losses in times of stress. CoCos are intended to either convert into equity or have their principal written down upon the occurrence of certain 'triggers' linked to regulatory capital thresholds or where the issuing banking institution's regulatory authorities considers this to be necessary. Because conversion occurs after a specified event, conversion may occur when the share price of the underlying equity is less than when the security was issued or purchased, resulting in greater potential compared to conventional convertible securities for capital loss. Investments in contingent convertible securities may also specific risks related to trigger levels (trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level), cancellation of coupons (Coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time), capital structure inversion (In certain scenarios, holders of CoCos may suffer losses of capital when equity holders do not), call extension (some CoCos are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority). Furthermore the structure of CoCos is innovative yet untested, and it is uncertain how they will perform.

**Derivative:** Funds may enter into listed and unlisted derivative instruments in order to have an exposure to underlying assets or to protect their direct assets. These instruments are volatile and may be subject to various types of risks, including but not limited to market risk, liquidity risk, credit risk, counterparty risk, legal and operations risks. These derivative instruments may cause the Funds to have higher market exposure than they would have otherwise, which may in some case increase losses.

**Counterparty risk:** Unlisted derivative instruments are agreed with a specific counterparty. If the counterparty goes into liquidation, defaults, or fails to meet payment obligations when due, Fund could suffer a loss. Because they are not listed, these derivatives can be difficult to price.

**Sustainability risk:** The occurrence of an ESG event or condition that could, if it occurs, potentially or actually cause a material negative impact on the value of the Sub-Fund's investment. The occurrence of such an event or condition may also lead to a change in the investment strategy of the Sub-fund, including the exclusion of certain issuers' securities. Specifically, the negative impacts of sustainability risks may affect issuers through a variety of mechanisms, including: 1) lower revenues; 2) higher costs; 3) damage or depreciation of asset values; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase over the longer term.

For a complete description about risks, please refer to the general part of the Prospectus, chapter entitled "General Risk Considerations" below. This chapter also describes the other risks linked to an investment into the Sub-Fund.

The risks of the Sub-Fund are managed through the use of the "Commitment Approach" method described under "Use of Derivative, Special Investment and hedging Techniques"- "Global Risk Exposure".

## Typical Investor Profile

An investment in any Share Class of the Sub-Fund is suitable for institutional or retail investors who:

- are looking for a diversified investment vehicle;
- can afford to set aside capital for at least 5 years;
- can tolerate significant volatility.

## Charges for this Sub-Fund

- **Indirect charges**

The Sub-Fund will pay fees of the Underlying Funds. No subscription or redemption fee may be charged on account of a Sub-Fund's investment in the shares or units of other Underlying Funds that are managed directly or by delegation by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding. In any other case, the Sub-Fund will not invest in Underlying Funds which levy a subscription or a redemption fee higher than 2.5%. The Sub-Fund will invest in Underlying Funds for which the management fees will not exceed 3%.

The Total Expense Ratio by Share Class does not include indirect charges, indirect performance fees or other costs of the Underlying Funds.

▪ **Direct charges**

Share class	Maximum sales charge	Maximum redemption charge	Maximum Total Expense Ratio
C EUR	Up to 3%	None	1.25%

▪ **Performance fee**

The Investment Manager will receive a performance fee payable annually in arrears based on the performance of the Sub-Fund (the "Performance Fee") in reference to the Sub-Fund's benchmark (benchmark model). Such fee shall be equal to 15% of the Sub-Fund's outperformance in relation to the Sub-Fund's benchmark. Any underperformance of the Sub-Fund (over a period of maximum 5 years) compared to a reference fund achieving a performance equal to the benchmark's performance [*50% MSCI Daily TR Net World (NDDUWI) + 30% JPM GBI EMU (JPMGEMLC) + 20% ESTER (OISESTR)*] and having the same subscription and redemption operations as the Sub-Fund, must be compensated before any Performance Fee become payable.

If another year of underperformance occurred within this first 5 year period and has not been recovered by the end of this first period, a new period of maximum 5 years will start from this new year of underperformance.

For this purpose, the Performance Fee is calculated over a maximum period of five years by comparing the performance of the net assets of the Sub-Fund (i.e. net of costs defined in the Total Expense Ratio, coupons reinvested and excluding performance fees) with the net assets of a reference fund:

- whose starting value is that of the net assets of the Sub-Fund:
  - (i) where Performance Fees have been charged in the last five financial years, at the closing date of the most recent financial year when a Performance Fee was charged,
  - (ii) or, failing that, the opening date of the earliest financial year of the last four financial years for which underperformance has not been offset or the end of the previous financial year if no underperformance is to be offset in the last four financial years,
  - (iii) or, failing that, the launch date of the Sub-Fund;
- and therefore having a daily performance equal to that of the benchmark recording the same variations in subscriptions and redemptions as the Sub-Fund.

If, at the close of the financial year, the net assets of the Sub-Fund (excluding Performance Fees) exceed the net assets of the reference fund with the above starting value, then a Performance Fee equal to 15% (inclusive of tax) of the difference in valuation between the net assets of the Sub-Fund and the reference fund is charged. A Performance Fee may be charged if the Sub-Fund has outperformed the benchmark but has recorded a negative performance during the year.

The Performance Fees are provisioned on each Valuation Day and, where applicable, are effectively paid at the end of each financial year.

The provision will be reversed each time the difference between the two assets decreases. In the event

of underperformance (where the Sub-Fund's net assets are valued less than the reference fund's net assets), the provisions will be reversed until the overall allocation is extinguished, excluding Performance Fees earned. The provisions existing at the end of the financial year and the portion of Performance Fees resulting from the redemption of Shares during the financial year will be paid to the Investment Manager.

Examples of outperformance calculations:

	Net performance (*)	Underperformance (*) to be offset the following year	Outperformance fee deducted	Explanations
Y0				
Y1	5%	0%	yes	
Y2	0%	0%	No	
Y3	-5%	-5%	No	
Y4	3%	-2%	No	
Y5	2%	0%	No	
Y6	5%	0%	yes	
Y7	5%	0%	yes	
Y8	-10%	-10%	No	
Y9	2%	-8%	No	
Y10	2%	-6%	No	
Y11	2%	-4%	No	
Y12	0%	0%	No	The underperformance of Y12 to be carried forward to the next year (Y13) is 0% (not -4%) as the residual underperformance from Y8 that was not yet compensated (-4%) is no longer relevant as the 5-year period has elapsed (the underperformance of Y8 is compensated until Y12).

## Practical Information

This Sub-Fund is subject to specific tax treatment in Luxembourg (please refer to the Section entitled "Taxation" below"). Depending on your own country of residence, this might have an impact on your investment. For further details, please speak to an adviser.

Date of creation of the Sub-Fund: the date of creation of the Sub-Fund shall be determined by a resolution of the Board of Directors of the SICAV.

Valuation frequency: Daily. If any Valuation Day falls on a day that is not a Bank Business Day, the Net Asset Value of the Sub-Fund shall be calculated on the immediately following Bank Business Day. With respect to this Sub-Fund, a Bank Business Day is defined as any full day on which banks and stock exchanges are open for normal banking business in Luxembourg and in France.

Any requests for subscription, redemption or conversion of Shares must be received by the Sub-Fund in Luxembourg no later than 12:00 p.m. (CET) (noon) on any Bank Business Day (D-1) preceding the relevant Valuation Day (D). Any request received after 12:00 p.m. (CET) will be processed as of the immediately following Valuation Day (D+1). The Payment of the Subscription Price must be made within 3 Bank Business Days of the Valuation Day (D+3). The payment of the Redemption Price in respect of the redeemed Shares will take place within 3 Bank Business Days following the Valuation Day (D+3).

The Sub-Fund may issue the following shares in registered form only. The issuance of fractions of Shares to a maximum of four decimal places is permitted.

Share Class	ISIN	Type of investors	Currency	Minimum initial Subscription Requirement	Fractional Shares	Dividend Policy
C EUR	LU2528857902	All investors	Euro	None	yes	Capitalization

The Sub-Fund's shares are currently not listed on the Luxembourg Stock Exchange or any other stock

exchange.

The relevant KID indicates where information on the historical performance of the Sub-Fund is available. The information on the portfolio of the Sub-Fund is disclosed in the annual and semi-annual reports of the SICAV. Additional information about the Sub-Fund (including full prospectus, KID and reports) may be obtained free of charge at the Registered Office of the Management Company and of the Administrative Agent. Notices to Shareholders may be published on the Management Company's website at <https://www.lu.rothschildandco.com/> under Asset Management.

## APPENDIX: R-CO LUX WM CAROLO CAPITAL

<b>Name of the Sub-Fund</b>	<b>R-co Lux WM Carolo Capital</b>
<b>Management Company</b>	<b>Rothschild &amp; Co Investment Managers</b>
<b>Investment Manager</b>	<b>Rothschild &amp; Co Bank AG</b>

### Objectives and Investment Policy

#### Investment objective:

The investment objective of R-co Lux WM Carolo Capital (the "Sub-Fund") is to generate capital growth over time, by investing worldwide in various asset classes, while attempting to protect capital during challenging market environments.

#### Investment policy:

The Sub-Fund will mainly invest in the following asset classes: equities or equity-related securities, money market instruments and fixed income securities of any type (such as but not limited to government bonds and bills and floating-rate bonds).

In order to achieve its objective, the Sub-Fund will mainly invest:

- (a) directly in the above securities or asset classes;
- (b) in UCITS and/or other UCI having as main objective to invest in the above-mentioned asset classes,
- (c) in any transferable securities (such as structured products) linked or offering an exposure to the performance of the above mentioned asset classes.

The Sub-Fund may therefore invest in and/or be exposed to:

- 0-80% of its total net assets in fixed income or fixed income related securities (e.g. bond funds or bond ETFs), transferable debt securities issued by governments or their departments, supranational organizations, public or private companies, rated investment grade or otherwise, and across all maturities, with up to 50% of the net assets in high-yield securities or in unrated securities.
- 0-80% of its total net assets in equities or equity-related securities (e.g. equity funds or ETFs) across all industrial sectors and geographical zone and sizes of stock market capitalisation. The geographic and sectorial mix of issuers is not determined in advance and will be achieved on the basis of the market opportunities. The Sub-Fund may invest in non-developed country equities on an ancillary basis up to 20% of its net assets.
- 0-40% in alternative investments (e.g. absolute return funds, relative value funds (long/short), UCITS using hedge strategies, listed closed ended UCIs).
- 0-100% in UCITS and/or other UCI within the limits laid down by the Law.

#### ▪ **Liquidity:**

The Sub-Fund will normally be fully invested; however, if the Investment Manager considers this to be in the best interest of the Shareholders, the Sub-Fund may also, on an ancillary basis and for defensive purposes up to the complete assets, hold ancillary liquid assets (up to 20%), currencies, money market funds and money-market instruments.

#### ▪ **Use of Derivatives:**

The Sub-Fund may, for efficient portfolio management and for hedging purposes, use financial derivative instruments and other techniques and instruments within the limit set forth in the Chapter "Use of Derivative, Special Investment and hedging techniques" of this Prospectus and any applicable legal

provisions.

In order to achieve its investment objective, the Sub-Fund may use listed or OTC derivatives (interest rate and index swaps, forward contracts, and equity, interest-rate, currency and index futures and options). With this in mind, it hedges its assets against or exposes its assets to economic sectors, geographical regions, currencies, interest-rates, equities, other type-securities and indexes.

The portfolio's overall exposure to the foreign exchange risk, including any off-balance sheet exposure, will not exceed 100% of the Sub-Fund's total net assets.

For the time being, the Sub-Fund does not use TRS. The Sub-Fund reserves the right to use TRS in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

▪ **Securities incorporating derivatives:**

The use of securities incorporating derivatives is capped at 100% of the total net assets (stock purchase warrants, euro medium-term notes, warrants, etc.) with a view to achieving the investment objective and notably managing exposure to the foreign exchange, interest-rate and equity markets.

▪ **Use of Benchmark:**

The Sub-Fund is actively managed on a discretionary basis. The Sub-Fund is not managed with reference to a Benchmark index.

▪ **Term Deposits:**

The Sub-Fund may invest up to 100% of its assets in deposits with a term less than or equal to three months.

▪ **Cash Borrowings:**

The Sub-Fund may borrow up to 10% of its assets, primarily in order to handle the deferred payment procedures related to investor subscriptions and redemptions of the Sub-Fund's shares.

▪ **Other investment techniques and instruments:**

The Sub-Fund may also enter into securities lending and borrowing transactions and/or repurchase agreements (repo) and reverse repo. The exposure generated through securities lending and borrowing transactions and/or repurchase agreements will not exceed 100% of the Sub-Fund' total net assets.

For the time being, the Sub-Fund does not use SFT. The Sub-Fund reserves the right to use SFT in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

▪ Existence of foreign exchange risk for shareholders.

▪ **Reference currency:** the reference currency of the Sub-Fund is the EUR.

▪ **Recommended investment horizon:** the recommended investment horizon is over 5 years.

▪ **Sustainability:**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector as amended (SFDR), governs the transparency requirements regarding the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of Environment, Social, and Governance (ESG) and sustainability-related information.

Sustainability risk means the occurrence of an ESG event or condition that could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment.

The Sub-Fund is managed under article 6 of the SFDR regulation and integrates ESG factors in its investment process. The Sub-Fund does not consider principal adverse impacts on sustainability factors.

In accordance with Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy), the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## Risk Profile

The specific risks of investing in the Sub-Fund are linked to:

**Equity risk:** Shares' prices on equity markets may fluctuate namely pursuant to investor's expectations or anticipations, causing high potential volatility risk. Volatility on equity markets has historically been much greater than the volatility of fixed income markets.

**Credit risk:** Funds investing in debt securities issued by a public, corporate, bank or sovereign organization are exposed to the possibility that this issuer will not be able to reimburse debt holders (principal and interest payment). In addition, if after acquisition the perceived risk of failure increases, the value of such securities is likely to decrease.

**Changing interest rates risk:** The market value of fixed income securities may rise or fall inversely with changes in interest rates. Interest rate involves the risk that, when interest rates increase, the market-value of fixed-income securities tends to decline.

**Derivative risk:** Funds may enter into listed and unlisted derivative instruments in order to have an exposure to underlying assets or to protect their direct assets. These instruments are volatile and may be subject to various types of risks, including but not limited to market risk, liquidity risk, credit risk, counterparty risk, legal and operations risks. These derivative instruments may cause the Funds to have higher market exposure than they would have otherwise, which may in some case increase losses.

**Foreign exchange/currency risks:** The Sub-Fund is invested in securities denominated in a number of different currencies other than its reference currency. Changes in foreign currency exchange rates will affect the value of some securities and bring additional volatility.

**Sustainability risk:** The occurrence of an ESG event or condition that could, if it occurs, potentially or actually cause a material negative impact on the value of the Sub-Fund's investment. The occurrence of such an event or condition may also lead to a change in the investment strategy of the Sub-fund, including the exclusion of certain issuers' securities. Specifically, the negative impacts of sustainability risks may affect issuers through a variety of mechanisms, including: 1) lower revenues; 2) higher costs; 3) damage or depreciation of asset values; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase over the longer term.

For a complete description about risks, please refer to the general part of the Prospectus, chapter entitled "General Risk Considerations" below. This chapter also describes the other risks linked to an investment into the Sub-Fund.

The risks of the Sub-Fund are managed through the use of the "Commitment Approach" method described under "Use of Derivative, Special Investment and hedging Techniques"- "Global Risk Exposure".

## Typical Investor Profile

An investment in any Share Class of the Sub-Fund is suitable for institutional or retail investors who:

- are looking for a diversified investment vehicle;
- can afford to set aside capital for at least 5 years;
- can tolerate volatility.

## Charges for this Sub-Fund

### ▪ Indirect charges:

The Sub-Fund will pay fees of the underlying funds. No subscription or redemption fee may be charged on account of a Sub-Fund's investment in the shares or units of other underlying funds that are managed directly or by delegation by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding. In any other case, the Sub-Fund will not invest in underlying funds which levy a subscription or a redemption fee higher than 3%. The Sub-Fund will invest in underlying funds for which the management fees will not exceed 1.8%.

### ▪ Direct charges:

Share class	Maximum sales charge	Maximum redemption charge	Maximum Total Expense Ratio
C EUR	Up to 3%	None	Up to 1.30%
D EUR	Up to 3%	None	Up to 1.30%
IC EUR	Up to 3%	None	Up to 1.20%
ID EUR	Up to 3%	None	Up to 1.20%

## Practical Information

This Sub-Fund might be subject to specific tax treatment in Luxembourg. Depending on your own country of residence, this might have an impact on your investment. For further details, please speak to an adviser.

Date of creation of the Sub-Fund: 29 January 2016.

Valuation frequency: each Bank Business Day will be a Valuation Day.

With respect to this Sub-Fund, a Bank Business Day is defined as any full day on which banks and stock exchanges are open for normal banking business in Luxembourg.

Any requests for subscription, redemption or conversion of Shares must be received by the Sub-Fund in Luxembourg no later than 12:00 p.m (CET) (noon) on any Bank Business Day in order to be processed as of the relevant Valuation Day. If the request is received after 12:00 p.m. (CET), it will be processed as of the immediately following Valuation Day. The Payment of the Subscription Price must be made within 2 Bank Business Days of the Valuation Day. The payment of the Redemption Price in respect of the redeemed Shares will take place within 2 Bank Business Days following the Valuation Day.

The Sub-Fund may issue the following shares in registered form only. The Board of Director reserves the right to permit the issuance of fractions of Shares to a maximum of four decimal places.

Share Class	ISIN	Type of investors	Currency	Minimum initial Subscription Requirement*	Fractional Shares	Dividend Policy
C EUR	LU1354214725	All investors	Euro	€5,000	yes	Capitalization
D EUR	LU1354214998	All investors	Euro	€5,000	yes	Distribution



IC EUR	LU1354215029	Institutional investors	Euro	€1,000,000	yes	Capitalization
ID EUR	LU1354215292	Institutional investors	Euro	€1,000,000	yes	Distribution

\* The Board of Directors reserves the right to waive these minimum initial subscription requirements.

The Sub-Fund's shares are currently not listed on the Luxembourg Stock Exchange or any other stock exchange.

The relevant KID indicates where information on the historical performance of the Sub-Fund is available . The information on the portfolio of the Sub-Fund is disclosed in the annual and semi-annual reports of the SICAV. Additional information about the Sub-Fund (including full prospectus, KID and reports) may be obtained free of charge at the Registered Office of the Management Company and of the Administrative Agent. Notices to Shareholders may be published on the Management Company's website at <https://www.lu.rothschildandco.com/> under Asset Management.

## APPENDIX: R-CO LUX WM MENARA

<b>Name of the Sub-Fund</b>	<b>R-co Lux WM Menara</b>
<b>Management Company</b>	<b>Rothschild &amp; Co Investment Managers</b>
<b>Investment Manager</b>	<b>Rothschild &amp; Co Bank AG</b>

### Objectives and Investment Policy

#### Investment objective:

The investment objective of R-co Lux WM Menara (the "Sub-Fund") is to generate capital growth over time, by investing predominantly into equity related securities.

#### Investment policy:

This Sub-Fund aims to provide risk-adjusted capital growth by investing worldwide mainly via non-index-linked asset classes.

The Sub-Fund will principally invest equities or equity related securities.

The Sub-Fund may also invest in money market instruments, fixed income transferable debt securities of any type (such as but not limited to convertible bonds, reverse convertible, government bonds and bills and floating-rate bonds).

In order to achieve its objective, the Sub-Fund will mainly invest:

- (a) directly in the above securities or asset classes;
- (b) in UCITS and/or other UCI having as main objective to invest in the above-mentioned asset classes,
- (c) in any transferable securities (such as structured products) linked (or offering an exposure) to the performance of the above mentioned asset classes.

The Sub-Fund may therefore invest in and/or be exposed to:

- 0-80% in fixed income transferable debt securities issued by governments or their departments, supranational organizations, public or private companies, rated investment grade or otherwise, across all maturities, with up to 50% of the net assets in high-yield securities or in unrated securities. The Sub-Fund will invest in bonds, negotiable debt securities of all maturities at fixed, variable or floating rates, convertible bonds and securitized products (up to a maximum of 10%). The public/private debt mix is not determined in advance and will be achieved on the basis of the market opportunities.
- 0-100% in equities across all industrial sectors and geographical zone and sizes of stock market capitalisation. The geographic and sectorial mix of issuers is not determined in advance and will be achieved on the basis of the market opportunities. The Sub-Fund may invest in non OECD country equities on an ancillary basis.
- 0-100% in UCITS and/or other UCI within the limits laid down by the Law.

The portfolio will be made of a limited, yet diversified, selection of securities considered by the Investment Manager as offering the greatest potential for profitability.

The Sub-Fund will normally be fully invested; however, if the Investment Manager considers this to be in the best interest of the Shareholders, the Sub-Fund may also, on an ancillary basis and for defensive purposes, hold ancillary liquid assets (up to 20%), currencies, money market funds and money-market instruments.

#### ▪ Use of Derivatives:

The Sub-Fund may, for efficient portfolio management and for hedging purposes, use financial derivative

instruments and other techniques and instruments within the limit set forth in the Chapter "Use of Derivative, Special Investment and Hedging Techniques" of this Prospectus and any applicable legal provisions.

In order to achieve its investment objective, the Sub-Fund may use listed or OTC derivatives (interest rate and index swaps, forward contracts, and equity, interest-rate, currency and index futures and options). With this in mind, it hedges its assets against or exposes its assets to economic sectors, geographical regions, currencies, interest-rates, equities, other type-securities and indexes.

The portfolio's overall exposure to the foreign exchange risk, including any off-balance sheet exposure, will not exceed 100% of the Sub-Fund's net assets.

For the time being, the Sub-Fund does not use TRS. The Sub-Fund reserves the right to use TRS in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

▪ **Securities incorporating derivatives:**

The use of securities incorporating derivatives is capped at 100% of the net assets (stock purchase warrants, euro medium-term notes, warrants, etc.) with a view to achieving the investment objective and notably managing exposure to the foreign exchange, interest-rate and equity markets.

▪ **Use of Benchmark:**

The Sub-Fund is actively managed on a discretionary basis. The Sub-Fund is not managed with reference to a Benchmark index.

▪ **Term Deposits:**

The Sub-Fund may invest up to 100% of its assets in deposits with a term less than or equal to three months.

▪ **Cash Borrowings:**

The Sub-Fund may borrow up to 10% of its assets on a temporary basis, primarily in order to handle the deferred payment procedures related to investor subscriptions and redemptions of the Sub-Fund's shares.

▪ **Other investment techniques and instruments:**

The Sub-Fund may also enter into securities lending and borrowing transactions and/or repurchase agreements (repo) and reverse repo. The exposure generated through securities lending and borrowing transactions and/or repurchase agreements will not exceed 100% of the Sub-Fund' net assets.

For the time being, the Sub-Fund does not use SFT. The Sub-Fund reserves the right to use SFT in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

▪ Existence of foreign exchange risk for shareholders.

▪ **Reference currency:** the reference currency of the Sub-Fund is the EUR.

▪ **Recommended investment horizon:** the recommended investment horizon is over 5 years.

▪ **Sustainability:**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector as amended (SFDR), governs the transparency requirements regarding the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of Environment, Social, and Governance (ESG) and sustainability-related information.

Sustainability risk means the occurrence of an ESG event or condition that could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment.

The Sub-Fund is managed under article 6 of the SFDR regulation and integrates ESG factors in its investment process. The Sub-Fund does not consider principal adverse impacts on sustainability factors.

In accordance with Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy), the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## Risk Profile

The specific risks of investing in the Sub-Fund are linked to:

**Equity risk:** Shares' prices on equity markets may fluctuate namely pursuant to investor's expectations or anticipations, causing high potential volatility risk. Volatility on equity markets has historically been much greater than the volatility of fixed income markets.

**Credit risk:** Funds investing in debt securities issued by a public, corporate, bank or sovereign organization are exposed to the possibility that this issuer will not be able to reimburse debt holders (principal and interest payment). In addition, if after acquisition the perceived risk of failure increases, the value of such securities is likely to decrease.

**Changing interest rates risk:** The market value of fixed income securities may rise or fall inversely with changes in interest rates. Interest rate involves the risk that, when interest rates increase, the market-value of fixed-income securities tends to decline.

**Derivative risk:** Funds may enter into listed and unlisted derivative instruments in order to have an exposure to underlying assets or to protect their direct assets. These instruments are volatile and may be subject to various types of risks, including but not limited to market risk, liquidity risk, credit risk, counterparty risk, legal and operations risks. These derivative instruments may cause the Funds to have higher market exposure than they would have otherwise, which may in some case increase losses.

**Foreign exchange/currency risks:** The Sub-Fund is invested in securities denominated in a number of different currencies other than its reference currency. Changes in foreign currency exchange rates will affect the value of some securities and bring additional volatility.

**Sustainability risk:** The occurrence of an ESG event or condition that could, if it occurs, potentially or actually cause a material negative impact on the value of the Sub-Fund's investment. The occurrence of such an event or condition may also lead to a change in the investment strategy of the Sub-fund, including the exclusion of certain issuers' securities. Specifically, the negative impacts of sustainability risks may affect issuers through a variety of mechanisms, including: 1) lower revenues; 2) higher costs; 3) damage or depreciation of asset values; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase over the longer term.

For a complete description about risks, please refer to the general part of the Prospectus, chapter entitled "General Risk Considerations" below. This chapter also describes the other risks linked to an investment into the Sub-Fund.

The risks of the Sub-Fund are managed through the use of the "Commitment Approach" method described under "Use of Derivative, Special Investment and hedging Techniques"- "Global Risk Exposure".

## Typical Investor Profile

An investment in any Share Class of the Sub-Fund is suitable for institutional or retail investors who:

- are looking for a diversified investment vehicle;
- can afford to set aside capital for at least 5 years;
- can tolerate volatility.

## Charges for this Sub-Fund

### ▪ Indirect charges:

The Sub-Fund will pay fees of the underlying funds. No subscription or redemption fee may be charged on account of a Sub-Fund's investment in the shares or units of other underlying funds that are managed directly or by delegation by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding. In any other case, the Sub-Fund will not invest in underlying funds which levy a subscription or a redemption fee higher than 3%. The Sub-Fund will invest in underlying funds for which the management fees will not exceed 1.8%.

### ▪ Direct charges:

Share class	Maximum sales charge	Maximum redemption charge	Maximum Total Expense Ratio
Class C EUR	Up to 3 %	None	Up to 1.05%
Class D EUR	Up to 3 %	None	Up to 1.05%

## Practical Information

This Sub-Fund might be subject to specific tax treatment in Luxembourg. Depending on your own country of residence, this might have an impact on your investment. For further details, please speak to an adviser.

Date of creation of the Sub-Fund: 17 December 2015

Valuation frequency: each Bank Business Day will be a Valuation Day.

With respect to this Sub-Fund, a Bank Business Day is defined as any full day on which banks and stock exchanges are open for normal banking business in Luxembourg.

Any requests for subscription, redemption or conversion of Shares must be received by the Sub-Fund in Luxembourg no later than 10:30 a.m. (CET) on any Bank Business Day in order to be processed as of the relevant Valuation Day. If the request is received after 10:30 a.m. (CET), it will be processed as of the immediately following Valuation Day. The Payment of the Subscription Price must be made within 2 Bank Business Days of the Valuation Day. The payment of the Redemption Price in respect of the redeemed Shares will take place within 2 Bank Business Days following the Valuation Day.

The Sub-Fund may issue the following shares in registered form only. The Board of Director reserves the right to permit the issuance of fractions of Shares to a maximum of four decimal places.

Share Class	ISIN	Type of investors	Currency	Minimum initial Subscription Requirement*	Fractional Shares	Dividend Policy
C EUR	LU1303789355	All investors	Euro	€5,000	yes	Capitalization
D EUR	LU1303789439	All investors	Euro	€5,000	yes	Distribution

\* The Board of Directors reserves the right to waive these minimum initial subscription requirements.

The Sub-Fund's shares are currently not listed on the Luxembourg Stock Exchange or any other stock exchange.

The relevant KID indicates where information on the historical performance of the Sub-Fund is available. The information on the portfolio of the Sub-Fund is disclosed in the annual and semi-annual reports of the SICAV. Additional information about the Sub-Fund (including full prospectus, KID and reports) may be obtained free of charge at the Registered Office of the Management Company and of the Administrative Agent. Notices to Shareholders may be published on the Management Company's website at <https://www.lu.rothschildandco.com/> under Asset Management.

## APPENDIX: R-CO LUX WM TRASKY INVESTMENT

<b>Name of the Sub-Fund</b>	<b>R-co Lux WM TraSky Investment</b>
<b>Management Company</b>	<b>Rothschild &amp; Co Investment Managers</b>
<b>Investment Manager</b>	<b>Rothschild &amp; Co Bank AG</b>

### Objectives and Investment Policy

#### Investment objective:

The investment objective of R-co Lux WM TraSky Investment (the "Sub-Fund") is to generate capital growth over time, while preserving capital during challenging markets.

#### Investment policy:

This Sub-Fund aims to provide a stable and risk-adjusted capital growth by investing worldwide via non-index-linked asset classes.

The Sub-Fund will principally invest in the following asset classes: equities or equity related securities, money market instruments, fixed income transferable debt securities of any type (such as but not limited to convertible bonds, reverse convertible, government bonds and bills and floating-rate bonds).

In order to achieve its objective, the Sub-Fund will mainly invest:

- (a) directly in the above securities or asset classes;
- (b) in UCITS and/or other UCI having as main objective to invest in the above-mentioned asset classes,
- (c) in any transferable securities (such as structured products) linked (or offering an exposure) to the performance of the above mentioned asset classes.

The Sub-Fund may therefore invest in and/or be exposed to:

- 0-100% in fixed income transferable debt securities issued by governments or their departments, supranational organizations, public or private companies, rated investment grade or otherwise, across all maturities, with up to 50% of the net assets in high-yield securities or in unrated securities. The Sub-Fund will invest in bonds, negotiable debt securities of all maturities at fixed, variable or floating rates, convertible bonds and securitized products (up to a maximum of 10%). The public/private debt mix is not determined in advance and will be achieved on the basis of the market opportunities.
- 0-100% in equities across all industrial sectors and geographical zone and sizes of stock market capitalisation. The geographic and sectorial mix of issuers is not determined in advance and will be achieved on the basis of the market opportunities. The Sub-Fund may invest in non OECD country equities on an ancillary basis.
- 0-100% in UCITS and/or other UCI within the limits laid down by the Law.

The portfolio will be made of a limited, yet diversified, selection of securities considered by the Investment Manager as offering the greatest potential for profitability.

The Sub-Fund will normally be fully invested; however, if the Investment Manager considers this to be in the best interest of the Shareholders, the Sub-Fund may also, on an ancillary basis and for defensive purposes, hold ancillary liquid assets (up to 20%), currencies, money market funds and money-market instruments.

#### ▪ Use of Derivatives:

The Sub-Fund may, for efficient portfolio management and for hedging purposes, use financial derivative instruments and other techniques and instruments within the limit set forth in the Chapter "Use of Derivative, Special Investment and hedging techniques" of this Prospectus and any applicable legal

provisions.

In order to achieve its investment objective, the Sub-Fund may use listed or OTC derivatives (interest rate and index swaps, forward contracts, and equity, interest-rate, currency and index futures and options). With this in mind, it hedges its assets against or exposes its assets to economic sectors, geographical regions, currencies, interest-rates, equities, other type-securities and indexes.

The portfolio's overall exposure to the foreign exchange risk, including any off-balance sheet exposure, will not exceed 100% of the Sub-Fund's net assets.

For the time being, the Sub-Fund does not use TRS. The Sub-Fund reserves the right to use TRS in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

▪ **Securities incorporating derivatives:**

The use of securities incorporating derivatives is capped at 100% of the net assets (stock purchase warrants, euro medium-term notes, warrants, etc.) with a view to achieving the investment objective and notably managing exposure to the foreign exchange, interest-rate and equity markets.

▪ **Use of Benchmark:**

The Sub-Fund is actively managed on a discretionary basis. The Sub-Fund is not managed with reference to a Benchmark index.

▪ **Term Deposits:**

The Sub-Fund may invest up to 100% of its assets in deposits with a term less than or equal to three months.

▪ **Cash Borrowings:**

The Sub-Fund may borrow up to 10% of its assets on a temporary basis, primarily in order to handle the deferred payment procedures related to investor subscriptions and redemptions of the Sub-Fund's shares.

▪ **Other investment techniques and instruments:**

The Sub-Fund may also enter into securities lending and borrowing transactions and/or repurchase agreements (repo) and reverse repo. The exposure generated through securities lending and borrowing transactions and/or repurchase agreements will not exceed 100% of the Sub-Fund's net assets.

For the time being, the Sub-Fund does not use SFT. The Sub-Fund reserves the right to use SFT in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

▪ Existence of foreign exchange risk for shareholders.

▪ **Reference currency:** the reference currency of the Sub-Fund is the EUR.

▪ **Recommended investment horizon:** the recommended investment horizon is over 5 years.

▪ **Sustainability:**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector as amended (SFDR), governs the transparency requirements regarding the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of Environment, Social, and Governance (ESG) and sustainability-related information.

Sustainability risk means the occurrence of an ESG event or condition that could potentially or actually



cause a material negative impact on the value of a Sub-Fund's investment.

The Sub-Fund is managed under article 6 of the SFDR regulation and integrates ESG factors in its investment process. The Sub-Fund does not consider principal adverse impacts on sustainability factors.

In accordance with Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy), the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## Risk Profile

The specific risks of investing in the Sub-Fund are linked to:

**Equity risk:** Shares' prices on equity markets may fluctuate namely pursuant to investor's expectations or anticipations, causing high potential volatility risk. Volatility on equity markets has historically been much greater than the volatility of fixed income markets.

**Credit risk:** Funds investing in debt securities issued by a public, corporate, bank or sovereign organization are exposed to the possibility that this issuer will not be able to reimburse debt holders (principal and interest payment). In addition, if after acquisition the perceived risk of failure increases, the value of such securities is likely to decrease.

**Changing interest rates risk:** The market value of fixed income securities may rise or fall inversely with changes in interest rates. Interest rate involves the risk that, when interest rates increase, the market-value of fixed-income securities tends to decline.

**Derivative risk:** Funds may enter into listed and unlisted derivative instruments in order to have an exposure to underlying assets or to protect their direct assets. These instruments are volatile and may be subject to various types of risks, including but not limited to market risk, liquidity risk, credit risk, counterparty risk, legal and operations risks. These derivative instruments may cause the Funds to have higher market exposure than they would have otherwise, which may in some case increase losses.

**Foreign exchange/currency risks:** The Sub-Fund is invested in securities denominated in a number of different currencies other than its reference currency. Changes in foreign currency exchange rates will affect the value of some securities and bring additional volatility.

**Sustainability risk:** The occurrence of an ESG event or condition that could, if it occurs, potentially or actually cause a material negative impact on the value of the Sub-Fund's investment. The occurrence of such an event or condition may also lead to a change in the investment strategy of the Sub-fund, including the exclusion of certain issuers' securities. Specifically, the negative impacts of sustainability risks may affect issuers through a variety of mechanisms, including: 1) lower revenues; 2) higher costs; 3) damage or depreciation of asset values; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase over the longer term.

For a complete description about risks, please refer to the general part of the Prospectus, chapter entitled "General Risk Considerations" below. This chapter also describes the other risks linked to an investment into the Sub-Fund.

The risks of the Sub-Fund are managed through the use of the "Commitment Approach" method described under "Use of Derivative, Special Investment and hedging Techniques"- "Global Risk Exposure".

## Typical Investor Profile

An investment in any Share Class of the Sub-Fund is suitable for institutional or retail investors who:

- are looking for a diversified investment vehicle;
- can afford to set aside capital for at least 5 years;
- can tolerate volatility.

## Charges for this Sub-Fund

### ▪ Indirect charges:

The Sub-Fund will pay fees of the underlying funds. No subscription or redemption fee may be charged on account of a Sub-Fund's investment in the shares or units of other underlying funds that are managed directly or by delegation by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding. In any other case, the Sub-Fund will not invest in underlying funds which levy a subscription or a redemption fee higher than 3%. The Sub-Fund will invest in underlying funds for which the management fees will not exceed 1.8%.

### ▪ Direct charges:

Share class	Maximum sales charge	Maximum redemption charge	Maximum Total Expense Ratio
Class C EUR	Up to 3 %	None	Up to 1.25%
Class D EUR	Up to 3 %	None	Up to 1.25%

## Practical Information

This Sub-Fund might be subject to specific tax treatment in Luxembourg. Depending on your own country of residence, this might have an impact on your investment. For further details, please speak to an adviser.

Date of creation of the Sub-Fund: 17 December 2015

Valuation frequency: each Bank Business Day will be a Valuation Day.

With respect to this Sub-Fund, a Bank Business Day is defined as any full day on which banks and stock exchanges are open for normal banking business in Luxembourg.

Any requests for subscription, redemption or conversion of Shares must be received by the Sub-Fund in Luxembourg no later than 10:30 a.m. (CET) on any Bank Business Day in order to be processed as of the relevant Valuation Day. If the request is received after 10:30 a.m. (CET), it will be processed as of the immediately following Valuation Day. The Payment of the Subscription Price must be made within 2 Bank Business Days of the Valuation Day. The payment of the Redemption Price in respect of the redeemed Shares will take place within 2 Bank Business Days following the Valuation Day.

The Sub-Fund may issue the following shares in registered form only. The Board of Director reserves the right to permit the issuance of fractions of Shares to a maximum of four decimal places.

Share Class	ISIN	Type of investors	Currency	Minimum initial Subscription Requirement*	Fractional Shares	Dividend Policy
C EUR	LU1303789512	All investors	Euro	€5,000	yes	Capitalization
D EUR	LU1303789603	All investors	Euro	€5,000	yes	Distribution

\* The Board of Directors reserves the right to waive these minimum initial subscription requirements.

The Sub-Fund's shares are currently not listed on the Luxembourg Stock Exchange or any other stock exchange.

The relevant KID indicates where information on the historical performance of the Sub-Fund is available. The information on the portfolio of the Sub-Fund is disclosed in the annual and semi-annual reports of the SICAV. Additional information about the Sub-Fund (including full prospectus, KID and reports) may be obtained free of charge at the Registered Office of the Management Company and of the Administrative Agent. Notices to Shareholders may be published on the Management Company's website at <https://www.lu.rothschildandco.com/> under Asset Management.

## APPENDIX: R-CO LUX WM WEALTH STRATEGY FUND

<b>Name of the Sub-Fund</b>	<b>R-co Lux WM Wealth Strategy Fund</b>
<b>Management Company</b>	<b>Rothschild &amp; Co Investment Managers</b>
<b>Investment Manager</b>	<b>Rothschild &amp; Co Wealth Management UK Limited</b>
<b>Investment Advisor</b>	<b>Finaccess Advisors, LLC</b>

### Objectives and Investment Policy

#### Investment objective:

The investment objective of R-co Lux WM Wealth Strategy Fund (the "Sub-Fund") is to generate capital growth over time by investing worldwide in various asset classes, while attempting to protect capital during challenging markets.

The Sub-Fund will mainly invest in the following asset classes: equities or equity-related securities, money market instruments and fixed income securities of any type (such as but not limited to convertible bonds, reverse convertible bonds, government bonds and bills and floating-rate bonds).

In order to achieve its objective, the Sub-Fund will mainly invest:

- (a) directly in the above asset classes;
- (b) in UCITS and/or other UCI having as main objective to invest in the above asset classes,
- (c) in any transferable securities (such as structured products) linked or offering an exposure to the performance of the above asset classes.

The Sub-Fund may therefore invest in, or be exposed to, these asset classes within the following limits:

- 0-80% of its net assets in fixed income or fixed income related securities (e.g. bond funds) transferable debt securities issued by governments or their departments, supranational organisations, public or private companies, rated investment grade or otherwise, across all maturities, with up to 40% of its net assets in non-investment grade bonds or in unrated securities. The public/private debt mix is not determined in advance and will be achieved on the basis of the market opportunities.
- 0-80% of its net assets in equities or equity-related securities (e.g., equity funds) across all industrial sectors and geographical zone and sizes of stock market capitalisation. The geographic and sectorial mix of issuers is not determined in advance and will be achieved on the basis of the market opportunities. The Sub-Fund may invest in non-developed country equities on an ancillary basis up to 15% of its net assets.
- 0-40% of its net assets in alternative investments (e.g. absolute return funds, relative value funds (long/short), UCITS using hedge strategies, listed closed ended UCIs, as well as convertible bonds and convertible bond funds).
- Structured notes may not exceed 15% of the Sub-Fund's net assets.
- The aggregate limit of equity, non-investment grade bonds, emerging market debt and structured notes may not exceed 75% of the Sub-Fund's net exposure.
- The aggregate limit of equity, alternatives and structured notes may not exceed 75% of the Sub-Fund's net exposure.
- The aggregate limit of equity, non-investment grade bonds, emerging market debt, alternatives and structured notes may not exceed 80% of the Sub-Fund's net exposure.

- **Liquidity**

The Sub-Fund will normally be fully invested. The overall weight of the liquidity component (money market instruments, commercial paper, and bank deposits) should be within the 0% - 50% range. However, if the Investment Manager considers it is in the best interest of the Sub Fund, it may hold up to 100% in US Treasury Bills.

- **Use of Derivatives**

The Sub-Fund may, for efficient portfolio management and for hedging purposes, use financial derivative instruments and other techniques and instruments within the limit set forth in the Chapter "Use of Derivatives, Special Investment and hedging techniques" of this Prospectus and any applicable legal provisions. OTC derivatives may only be used for the purpose of currency hedging.

With this in mind, it hedges its assets against or exposes its assets to economic sectors, geographical regions, currencies, interest-rates, equities, other type-securities and indices. Inverse (*i.e.*, negative Delta) Delta ETFs and leveraged ETFs (*i.e.*, with Delta larger than 1) are not allowed.

For the time being, the Sub-Fund does not use TRS. The Sub-Fund reserves the right to use TRS in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

- **Cash Borrowings**

The Sub-Fund may borrow up to 10% of its net assets on a temporary basis, primarily in order to handle the deferred payment procedures related to investor subscriptions and redemptions of the Sub-Fund's shares.

- **Other investment techniques and instruments**

The Sub-Fund may not enter into securities lending and borrowing transactions or repurchase agreements (repo) and reverse repo.

Short sales are prohibited except for hedging purposes.

The Sub-Fund will hedge its exposure to currencies other than the United States Dollar in order to keep such exposure below 20%.

For the time being, the Sub-Fund does not use SFT. The Sub-Fund reserves the right to use SFT in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

- **Use of Benchmark:**

The Sub-Fund is actively managed on a discretionary basis. The Sub-Fund is not managed with reference to a Benchmark index.

The reference currency of the Sub-Fund is the USD.

- **Sustainability:**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector as amended (SFDR), governs the transparency requirements regarding the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of Environment, Social, and Governance (ESG) and sustainability-related information.

Sustainability risk means the occurrence of an ESG event or condition that could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment.

The Sub-Fund is managed under article 6 of the SFDR regulation and integrates ESG factors in its investment process. The Sub-Fund does not consider principal adverse impacts on sustainability factors.

In accordance with Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy), the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## Risk Profile

The specific risks of investing in the Sub-Fund are linked to:

**Equity risk:** Share prices on equity markets may fluctuate namely pursuant to investors' expectations or anticipations, causing high potential volatility risk. Volatility on equity markets has historically been much greater than the volatility of fixed income markets.

**Credit risk:** Funds investing in debt securities issued by a public, corporate, bank or sovereign organisation are exposed to the possibility that this issuer will not be able to reimburse debt holders (principal and interest payment). In addition, if after acquisition the perceived risk of failure increases, the value of such securities is likely to decrease.

**Changing interest rates risk:** The market value of fixed income securities may rise or fall inversely with changes in interest rates. Interest rate involves the risk that, when interest rates increase, the market-value of fixed-income securities tends to decline.

**Derivative risk:** Funds may enter into listed and unlisted derivative instruments in order to protect their direct assets. These instruments are volatile and may be subject to various types of risks, including but not limited to market risk, liquidity risk, credit risk, counterparty risk, legal and operations risks. These derivative instruments may cause the Funds to have higher market exposure than they would have otherwise, which may in some case increase losses.

**Foreign exchange/currency risks:** The Sub-Fund is invested in securities denominated in a number of different currencies other than its reference currency. Changes in foreign currency exchange rates will affect the value of some securities and bring additional volatility.

**Sustainability risk:** The occurrence of an ESG event or condition that could, if it occurs, potentially or actually cause a material negative impact on the value of the Sub-Fund's investment. The occurrence of such an event or condition may also lead to a change in the investment strategy of the Sub-fund, including the exclusion of certain issuers' securities. Specifically, the negative impacts of sustainability risks may affect issuers through a variety of mechanisms, including: 1) lower revenues; 2) higher costs; 3) damage or depreciation of asset values; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase over the longer term.

For a complete description about risks, please refer to the general part of the Prospectus, chapter entitled "General Risk Considerations" below. This chapter also describes the other risks linked to an investment into the Sub-Fund.

The risks of the Sub-Fund are managed through the use of the "Commitment Approach" method described under "Use of Derivative, Special Investment and hedging Techniques"- "Global Risk Exposure".

## Profile of typical investor

An investment in any Share Class of the Sub-Fund is suitable for institutional or retail investors who:

- are looking for a diversified investment vehicle;
- can afford to set aside capital for at least 3-5 years;
- can tolerate significant volatility.

## Charges for this Sub-Fund

### ▪ Indirect charges:

The Sub-Fund will pay fees of the underlying funds. No subscription or redemption fee may be charged on account of a Sub-Fund's investment in the shares or units of other underlying funds that are managed directly or by delegation by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding. In any other case, the Sub-Fund will not invest in underlying funds which levy a subscription or a redemption fee higher than 3%. The Sub-Fund will invest in underlying funds for which the management fees will not exceed 1.8%.

### ▪ Direct charges:

Share class	Maximum sales charge	Maximum redemption charge	Maximum Total Expense Ratio Until 23 July 2019	Maximum Total Expense Ratio From 24 July 2019
C USD	Up to 5 %	Up to 2%	Up to 1.10%	Up to 1.25%
D USD	Up to 5 %	Up to 2%	Up to 1.10%	Up to 1.25%
IC USD	Up to 5 %	Up to 2%	Up to 0.75%	Up to 0.90%
ID USD	Up to 5 %	Up to 2%	Up to 0.75%	Up to 0.90%
C EUR H	Up to 5 %	Up to 2%	Up to 1.10%	Up to 1.25%
D EUR H	Up to 5 %	Up to 2%	Up to 1.10%	Up to 1.25%
IC EUR H	Up to 5 %	Up to 2%	Up to 0.75%	Up to 0.90%
ID EUR H	Up to 5 %	Up to 2%	Up to 0.75%	Up to 0.90%
XC USD	Up to 5 %	None	Up to 1.20%	Up to 1.35%
XIC USD	Up to 5 %	None	Up to 0.90%	Up to 1.05%

The Management Company will receive annual fees of up to 1.25% of the net asset value of the Sub-Fund. The Management Company will pay the Investment Advisor, out of the fees it receives from the Fund, annual fees of up to 0.60% of the net asset value of the Sub-Fund.

## Practical Information

Investment Advisor: Finaccess Advisors, LLC will provide investment advisory services to Rothschild & Co Wealth Management UK Limited pursuant to an investment advisory agreement (the "Investment Advisory Agreement").

Finaccess Advisors, LLC, a limited liability company (LLC) incorporated in 2009 under the laws of Delaware and based in Miami (FL), is accredited and regulated by the SEC as an investment advisor.

The Investment Advisory Agreement has been made for an unlimited period unless terminated by either party giving the other at least thirty days' notice in writing or as otherwise described in the Investment Advisory Agreement.

In the fulfilment of its duties, Finaccess Advisors, LLC is liable as provided by Luxembourg laws and regulations.

This Sub-Fund might be subject to specific tax treatment in Luxembourg. Depending on your own country of residence, this might have an impact on your investment. For further details, please speak to an adviser.

Date of creation of the Sub-Fund: 3 December 2015.

Valuation frequency: each Bank Business Day will be a Valuation Day.

With respect to this Sub-Fund, a Bank Business Day is defined as any full day on which banks and stock exchanges are open for normal banking business in Luxembourg and the United Kingdom.

Any requests for subscription, redemption or conversion of Shares must be received by the Sub-Fund in Luxembourg no later than 16:00 CET on any Bank Business Day in order to be processed as of the

relevant Valuation Day. If the request is received after 16:00 CET, it will be processed as of the immediately following Valuation Day. The Payment of the Subscription Price must be made within 3 Bank Business Days of the Valuation Day. The payment of the Redemption Price in respect of the redeemed Shares will take place within 3 Bank Business Days following the Valuation Day.

The Sub-Fund may issue the following shares in registered form only. The issuance of fractions of Shares to a maximum of four decimal places is permitted.

Share Class	ISIN	Type of investors	Currency	Minimum initial Subscription Requirement*	Fractional Shares	Dividend Policy
C USD	LU1271708866	All investors	USD	\$5,000	yes	Capitalisation
D USD	LU1271708940	All investors	USD	\$5,000	yes	Distribution
IC USD	LU1271709088	Institutional investors	USD	\$3,000,000	yes	Capitalisation
ID USD	LU1271709161	Institutional investors	USD	\$3,000,000	yes	Distribution
C EUR H	LU1271709245	All investors	EUR	€5,000	yes	Capitalisation
D EUR H	LU1271709328	All investors	EUR	€5,000	yes	Distribution
IC EUR H	LU1271709591	Institutional investors	EUR	€3,000,000	yes	Capitalisation
ID EUR H	LU1271709674	Institutional investors	EUR	€3,000,000	yes	Distribution
XC USD	LU1891762525	All investors	USD	\$5,000	Yes, up to 3 decimal places	Capitalisation
XIC USD	LU1891284959	Institutional investors	USD	\$1,000,000	Yes, up to 3 decimal places	Capitalisation

\* The Board of Directors reserves the right to waive these minimum initial subscription requirements.

The Sub-Fund's shares are currently not listed on the Luxembourg Stock Exchange or any other stock exchange.

The relevant KID indicates where information on the historical performance of the Sub-Fund is available. The information on the portfolio of the Sub-Fund is disclosed in the annual and semi-annual reports of the SICAV. Additional information about the Sub-Fund (including full prospectus, KID and reports) may be obtained free of charge at the Registered Office of the Management Company and of the Administrative Agent. Notices to Shareholders may be published on the Management Company's website at <https://www.lu.rothschildandco.com/> under Asset Management.



## APPENDIX: Secafi

Name of the Sub-Fund	SECAFI
Management Company	Rothschild & Co Investment Managers
Investment Manager	Rothschild Martin Maurel

### Objectives and Investment Policy

#### Investment objective:

The investment objective of Secafi (the "Sub-Fund") is to aim to outperform its indicative benchmark over the recommended minimum investment horizon (over 5 years) by investing directly and/or indirectly (via UCIs, including listed UCIs/ETFs) in the global equity and/or fixed income markets. The indicative benchmark is composed of: 30% S&P 500 (SPTRNE Index) + 15% Stoxx 600 (SXXR Index) + 5% MSCI Emerging Markets Index (MSDEEMN Index) + 50% Bloomberg Euro Aggregate Total Return Euro (LBEATREU Index).

The Sub-Fund will invest in equity securities, fixed income securities (including convertibles bonds), in UCITS and/or other UCI having as main objective to invest in the above-mentioned asset classes, as well as in UCIs whose diversified allocation allows exposure to fixed income products and/or equity products and/or absolute return UCITS, depending on market opportunities (discretionary management). With respect to equity investments, the Sub-Fund will mainly invest directly in equity securities but may also invest via UCITS and/or other UCI having as main objective to invest in equity securities, including in order to gain exposure to certain geographical areas such as Asia. Fixed income investments will almost exclusively be via investments in UCITS and/or other UCI having as main objective to invest in fixed income securities. The Sub-Fund's allocation may vary within the limits detailed below in order to adapt to market movements, risks and opportunities.

Therefore, to achieve its investment objective, the Sub-Fund may therefore invest in and/or be exposed to:

- 30-70% of its net assets in equities across all geographical zones (OECD and non OECD countries) and market capitalisation of global stock market (with up to 30% in small cap stocks). The Sub-Fund may invest up to 5% of its net assets in H shares listed on the Hong Kong Stock Exchange. The geographic and sectorial mix of issuers is not determined in advance and will be achieved on the basis of market opportunities. The Sub-Fund will be exposed to equity markets through direct investments in equity, investment in UCITS and/or UCIs as well as derivative instruments.
- 20-70% of its net assets in fixed income transferable debt securities (including convertible bonds up to a maximum of 30% of its net assets) issued or guaranteed by sovereign governments, public or private companies, across all geographical zones and of any quality including and up to 40% of its net assets in securities either rated high yield or unrated and up to 20% in subordinated bonds. High yield fixed income securities means securities which are rated less than BBB- (Standard & Poor's Ratings Services), Baa3 (Moody's Investors Service, Inc.), BBB- rating by Fitch Ratings or determined to be of equivalent quality by the Investment Manager in the absence of rating.  
The Sub-Fund will invest in and/or be exposed to bonds, negotiable debt securities (such as treasury bill, certificates of deposit, and euro commercial paper), of all maturities at fixed, variable or floating rates, profit-sharing securities, index-linked bonds, money market instruments. The public/private debt mix is not determined in advance and will be achieved on the basis of market opportunities. The Sub-Fund does not invest in securities that are considered as in distress or in default at the time of investment. Should those securities become distressed or in default, the Sub-Fund may continue to hold them up to 10% of its net assets and shall proceed at the earliest opportunity and in the best interest of the Shareholders to sell any holdings in excess of this threshold. The Sub-Fund will be exposed to fixed income markets through direct investments in fixed income securities, investment in UCITS and/or UCIs as well as derivative instruments.
- 0-100% of its net assets in UCITS and/or other UCI (including listed UCIs/ETFs) provided that

investments in units of UCI other than UCITS comply with the eligibility criteria detailed the general part of the Prospectus, chapter entitled "Investment Restrictions" below and may not in aggregate exceed 30% of the net assets of the Sub-Fund, with up to a maximum of 30% of its net assets in UCITS using the following absolute return strategies:

- "Long/Short" strategies is the simultaneous holding of (a) long positions in stocks with upside potential and (b) short positions in stocks with downside potential. The investment manager has the capacity to adjust the resulting net market exposure depending on projected economic scenarios.
  - The aim of "Arbitrage/Relative Value" strategies is to exploit pricing anomalies in various asset classes. These strategies involve stocks, bonds or convertible bonds.
  - "Global Macro" strategies are based on a macroeconomic analysis of economies and markets to formulate investment themes and invest on all markets on a discretionary basis. "Global Macro" managers invest without limitation of geographical area or asset type: stocks, bonds, currencies, derivatives, etc. They seek to anticipate market changes on the basis of major macroeconomic variables and especially interest rate fluctuations. They apply opportunistic management, based on an identification and an evaluation specific to the manager. These movements can result from changes in global economies, political uncertainties, or global supply and demand with regard to physical and financial resources.
  - "Systematic" strategies are based on algorithms and automated trading (through mathematical models) aiming to exploit various market characteristics (trend, volatility, mean reversion, etc.). These strategies use mainly futures contracts on asset classes such as stocks, bonds, foreign exchange, and commodities.
  - "Special Situations" Event-Driven" strategies involve taking advantage of opportunities created by major events related to a company's corporate structure, such as a spin-off, merger, acquisition, bankruptcy, reorganisation, share buyback, or change in management. Arbitrage between the various parts of the company's capital is part of this strategy.
- The Sub-Fund may hold up to 10% of its net assets in ancillary liquid assets.

The Sub-Fund will be exposed to non-OECD countries (including emerging markets) through direct investments, investment in UCITS and/or UCIs as well as derivative instruments. The portfolio's overall exposure to non-OECD countries will not exceed 30% of the Sub-Fund's net assets.

The portfolio's overall exposure to the foreign exchange risk, including any off-balance sheet exposure, will not exceed 60% of the Sub-Fund's net assets.

#### ▪ **Selection of securities**

The selection criteria for equities are as follows:

The management process combines top-down and bottom-up approaches, allowing two sources of added value to be identified:

- The sector allocation is determined by analysing the macro-economic and financial environment.
- The selection of securities is based on a fundamental two-stage approach:
  - A quantitative analysis aimed at determining the extent to which the value is attractive by applying ratios appropriate to each industry (enterprise value/capital employed, enterprise value/gross operating result, price-earnings ratio, etc.).

- A qualitative analysis based on an understanding of the competitive drivers, of how profitability is achieved (imbalance between supply/demand, cost advantages, patents, trademarks, regulation, etc.).

The following four sources of added value are used for the fixed-income portfolio:

- a) **Duration:** The portfolio's duration increases when a fall in interest rates is anticipated by the manager and vice versa.
- b) **Credit risk exposure:** The Sub-Fund management process combines top-down and bottom-up approaches, allowing two sources of added value to be identified:
  - The sector and geographical allocation is determined on the basis of an analysis of the economic and financial environment. This analysis leads to identify long-term risks and factors influencing price levels. A particular emphasis is placed on analysis of historical defaults and assessment of competitive playing field;
  - The selection of securities is based on a fundamental two-stage approach:
    - A quantitative analysis based on the probability of default by:
      - using a large amount of public-domain data and statistics for each company;
      - comparing this data with those of companies in the same economic sector;
      - determining a theoretical value which compares favourably or unfavourably with that of the market.
    - A qualitative analysis based on:
      - the sector's sustainability;
      - study of the competitive parameters;
      - an understanding of the balance sheet;
      - an appreciation of how profitability is achieved (imbalances in supply and demand, cost advantages, patents, brands, legislation and regulations, etc.);
      - an understanding of (balance-sheet and off-balance-sheet) debt maturity ladders;
      - determination of the likelihood of intra-sector survival.
- c) **Interest rate curve positioning:** securities with short and very long maturities will be favoured over those with a medium-term or other maturities, depending on the manager's expectation regarding the flattening or the steepening of the interest rate curve.
- d) **Option strategies:** options on the interest-rate markets may be purchased or sold, depending on whether the manager anticipates changes in volatility and the prices of the underlying instruments.

▪ **Use of Derivatives:**

The Sub-Fund may also use listed or OTC derivatives (equity, interest-rate and currency futures and options) for investment and hedging purposes, within the limit set forth in the Chapter "Use of Derivative, Special Investment and hedging techniques" of this Prospectus and any applicable legal provisions. With this in mind, it hedges its assets against or exposes its assets to economic sectors, geographical regions, currencies, interest-rates and equities.

The Sub-Fund's global exposure through derivatives instruments shall not exceed 100% of its total net assets.

For the time being, the Sub-Fund does not use TRS. The Sub-Fund reserves the right to use TRS in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

- **Securities incorporating derivatives:**

The use of securities incorporating derivatives is capped at 70% of the net assets. This limit includes the use of (i) callable and puttable bonds including make-whole calls (up to 70% of net assets), (ii) convertible bonds (up to 30% of net assets), (iii) EMTN/structured certificates (up to 50% of net assets) as well as securities with simple embedded derivatives with risks similar to those of the instruments listed above. The underlying assets shall be eligible investments under article 41 of the Luxembourg law of December 17, 2010 on undertakings for collective investments.

- **Use of SFT:**

For the time being, the Sub-Fund does not use SFT. The Sub-Fund reserves the right to use SFT in the future, in which case this Appendix shall be updated prior to such use in compliance with the provisions of applicable regulations.

- **Use of Benchmark:**

The Sub-Fund is not an index-based UCITS. The composition may deviate significantly from the weightings and components of its indicative benchmark. Further details on the indicative benchmark are included under section Indicative Benchmark Index below.

- **Term Deposits:**

The Sub-Fund may invest up to 10% of its assets in deposits with a term less than or equal to three months.

- **Cash Borrowings:**

The Sub-Fund may borrow up to 10% of its assets on a temporary basis, primarily in order to handle the deferred payment procedures related to investor subscriptions and redemptions of the Sub-Fund's shares.

- **Reference currency:**

The reference currency of the Sub-Fund is the EUR.

- **Investment horizon:**

The recommended investment horizon is over 5 years.

- **Sustainability:**

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector as amended (SFDR), governs the transparency requirements regarding the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of Environment, Social, and Governance (ESG) and sustainability-related information.

Sustainability risk means the occurrence of an ESG event or condition that could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment.

The Sub-Fund is managed under article 6 of the SFDR regulation and integrates ESG factors in its investment process. The Sub-Fund does not consider principal adverse impacts on sustainability factors.

In accordance with Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy), the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## Benchmark Index

The Sub-Fund's benchmark is composed of 30% S&P 500 (SPTRNE Index) + 15% Stoxx 600 (SXXR Index) + 5% MSCI EM (MSDEEEMN Index) + 50% Bloomberg Euro Aggregate Total Return Euro (LBEATREU Index).

The **Standard & Poor's 500 Total Return Index** (Bloomberg Ticker: SPTRNE Index) is a stock market index based on the market capitalizations of 500 large capitalization companies having common stock listed on the NYSE or NASDAQ. The S&P 500 index components and their weightings are determined by S&P Dow Jones Indices. Details are available on [www.spindices.com/sp500](http://www.spindices.com/sp500) website. S&P Dow Jones Indices is listed on the ESMA Register of benchmark administrators.

The **Stoxx 600 DR® Index** (Ticker: SXXR) is designed to reflect the performance of 600 leading companies in European countries. It is calculated by Stoxx Ltd and is available on the website [www.stoxx.com](http://www.stoxx.com). Stoxx Ltd is listed on the ESMA Register of benchmark administrators.

The **MSCI Emerging Markets Index** (MSDEEEMN Index), calculated by the Morgan Stanley company, captures large and mid cap representation across 27 Emerging Markets (EM) countries. This index is available at the following address: [www.msci.com](http://www.msci.com). Following the UK's departure from the EU, MSCI Limited is no longer listed on the ESMA register of benchmark administrators. Transitional provisions following Brexit authorize the continued use of benchmarks administered by index administrators based in the UK and authorized by the UK Financial Conduct Authority as a non-EU based administrator during a transitional period.

The **Bloomberg Euro Aggregate Total Return Euro Index** (Ticker: LBEATREU) that measures the investment grade, euro-denominated, fixed-rate bond market, including treasuries, government-related, corporate and securitized issues. It is calculated by Bloomberg Index Services Limited and is available on the index provider's website at <https://www.bloomberg.com/quote/LBEATREU:IND>. As of the date of the last update of this prospectus, Bloomberg Index Services Limited is not listed on the ESMA Register of administrators and benchmarks. Bloomberg Index Services Limited (BISL) is authorized by the UK's Financial Conduct Authority to conduct benchmark administration under the UK benchmark regulation. Transitional provisions following Brexit authorize the continued use of benchmarks administered by index administrators based in the UK and authorized by the UK Financial Conduct Authority as a non-EU based administrator during a transitional period.

The Management Company has and maintains a procedure setting out the actions to be taken should any of the indices used as benchmark materially change or cease to be provided. This procedure is available upon request at the Management Company's registered office.

## Risk Profile

The specific risks of investing in the Sub-Fund are linked to:

**Discretionary management risk:** The discretionary management style applied to the Sub-Fund is based on the anticipation of the evolution of the various markets and/or on the selection of securities. There is a risk that the Sub-Fund may not be invested in the best performing markets or securities at all times. The performance of the Sub-Fund may therefore be lower than the management objective. The net asset value of the Sub-Fund may also have a negative performance.

**Equity risk:** Shares' prices on equity markets may fluctuate namely pursuant to investor's expectations or anticipations, causing high potential volatility risk. Volatility on equity markets has historically been much greater than the volatility of fixed income markets.

**Credit risk:** Funds investing in debt securities issued by a public, corporate, bank or sovereign organization are exposed to the possibility that this issuer will not be able to reimburse debt holders (principal and interest payment). In addition, if after acquisition the perceived risk of failure increases, the value of such securities is likely to decrease.

**Changing interest rates risk:** The market value of fixed income securities may rise or fall inversely with changes in interest rates. Interest rate involves the risk that, when interest rates increase, the market-value of fixed-income securities tends to decline.

**Foreign exchange/currency risks:** When Funds invest in securities denominated in a number of different currencies other than their reference currency, changes in foreign currency exchange rates will affect the value of some securities and bring additional volatility.

**High yield risk:** some of the high yield securities held in the portfolio may involve increased credit and market risk; such securities are subject to the risk of an issuer's inability to meet principal and interest payments on its obligations (credit risk) and may also be subject to price volatility due to such factors as interest rate duration, market perception of the creditworthiness of the issuer and general market liquidity.

**Emerging Market risk:** Investments in emerging market securities involve certain risks, such as illiquidity and volatility, which may be greater than those generally associated with investing in developed markets. Some governments exercise substantial influence over the private economic sector and investment may be affected by political and economic instability. The extent of economic development, political stability, market depth, infrastructure, capitalization, and regulatory oversight in emerging market economies may be less than in more developed countries.

**Counterparty risk:** Unlisted derivative instruments are agreed with a specific counterparty. If the counterparty goes into liquidation, defaults, or fails to meet payment obligations when due, Fund could suffer a loss. Because they are not listed, these derivatives can be difficult to price.

**Convertible security risks:** Funds may invest in convertible securities which are securities generally offering fixed interest or dividend yields which may be converted either at a stated price or stated rate for common or preferred stock. Although to a lesser extent than with fixed income securities generally, the market value of convertible securities tends to decline as interest rates or credit risk rise. Because of the conversion feature, the market value of convertible securities also tends to vary with fluctuations in the market value and volatility of the underlying common or preferred stock.

**Risk linked to implied volatility:** The Sub-Fund may be exposed to the implied volatility of underlying assets in which it invests. If the implied volatility decreases, the Sub-Fund's Net Asset Value may also decrease.

**Risk associated with absolute return management strategies:** Absolute return management strategies are techniques which consist in particular in taking advantage of observed (or anticipated) price differences between markets and/or sectors and/or securities and/or currencies and/or instruments. In the event of unfavorable developments in these positions (e.g. an increase in short transactions and/or a decrease in long transactions), the net asset value of these funds or investment funds may decrease. It is also possible that these management strategies may cause the net asset value of the sub-fund to decrease in the event of a rise in the financial markets (equity and/or bond and/or commodity markets).

**Risk linked to investments in H shares:** Funds may invest in H shares which are shares of Chinese mainland companies listed on the Hong Kong Stock Exchange. Investments in H shares involve certain risks, such as illiquidity and volatility. Changes in economic, political and social conditions and government policies in China may significantly affect the market price of H shares.

**Sustainability risk:** The occurrence of an ESG event or condition that could, if it occurs, potentially or actually cause a material negative impact on the value of the Sub-Fund's investment. The occurrence of such an event or condition may also lead to a change in the investment strategy of the Sub-fund, including the exclusion of certain issuers' securities. Specifically, the negative impacts of sustainability risks may affect issuers through a variety of mechanisms, including: 1) lower revenues; 2) higher costs; 3) damage or depreciation of asset values; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase over the longer term.

For a complete description about risks, please refer to the general part of the Prospectus, chapter entitled "General Risk Considerations" below. This chapter also describes the other risks linked to an investment into the Sub-Fund.

The risks of the Sub-Fund are managed through the use of the "Commitment Approach" method described under "Use of Derivative, Special Investment and hedging Techniques"- "Global Risk Exposure".

## Typical Investor Profile

An investment in any Share Class of the Sub-Fund is suitable for institutional or retail investors who:

- are looking for a diversified investment vehicle;
- can afford to set aside capital for at least 5 years;
- can tolerate significant volatility.

## Charges for this Sub-Fund

### ▪ Indirect charges

The Sub-Fund will pay fees of the Underlying Funds. No subscription or redemption fee may be charged on account of a Sub-Fund's investment in the shares or units of other Underlying Funds that are managed directly or by delegation by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding. In any other case, the Sub-Fund will not invest in Underlying Funds which levy a subscription or a redemption fee higher than 2.5%. The Sub-Fund will invest in Underlying Funds for which the management fees will not exceed 3%.

The Total Expense Ratio by Share Class does not include indirect charges, indirect performance fees or other costs of the Underlying Funds.

### ▪ Direct charges

Share class	Maximum sales charge	Maximum redemption charge	Maximum Total Expense Ratio
C EUR	Up to 5%	None	0,75%

### ▪ Performance fee

The Investment Manager will receive a performance fee payable annually in arrears based on the performance of the Sub-Fund (the "Performance Fee") in reference to the Sub-Fund's benchmark (benchmark model). Such fee shall be equal to 20% of the Sub-Fund's outperformance in relation to the Sub-Fund's benchmark. Any underperformance of the Sub-Fund (over a period of maximum 5 years) compared to a reference fund achieving a performance equal to the benchmark's performance [30% S&P 500 (SPTRE Index) + 15% Stoxx 600 (SXXR Index) + 5% MSCI Emerging Markets (MSDEEEMN Index) + 50% Bloomberg Euro Aggregate Total Return euro (LBEATREU Index)] and having the same subscription and redemption operations as the Sub-Fund, must be compensated before any Performance Fee become payable.

If another year of underperformance occurred within this first 5 year period and has not been recovered by the end of this first period, a new period of maximum 5 years will start from this new year of underperformance.

For this purpose, the Performance Fee is calculated over a maximum period of five years by comparing the performance of the assets of the Sub-Fund (coupons reinvested and excluding performance fees) with the assets of a reference fund:

- whose starting value is that of the assets of the Sub-Fund:
  - (i) where Performance Fees have been charged in the last five financial years, at the closing date of the most recent financial year when a Performance Fee was charged,
  - (ii) or, failing that, the opening date of the earliest financial year of the last four financial

years for which underperformance has not been offset or the end of the previous financial year if no underperformance is to be offset in the last four financial years,

(iii) or, failing that, the launch date of the Sub-Fund;

- and therefore having a daily performance equal to that of the benchmark recording the same variations in subscriptions and redemptions as the Sub-Fund.

If, at the close of the financial year, the assets of the Sub-Fund (excluding Performance Fees) exceed the assets of the reference fund with the above starting value, then a Performance Fee equal to 20% (inclusive of tax) of the difference in valuation between the assets of the Sub-Fund and the reference fund is charged. A Performance Fee may be charged if the Sub-Fund has outperformed the benchmark but has recorded a negative performance during the year.

The Performance Fees are provisioned on each Valuation Day and, where applicable, are effectively paid at the end of each financial year.

The provision will be reversed each time the difference between the two assets decreases. In the event of underperformance (where the Sub-Fund's assets are valued less than the reference fund's assets), the provisions will be reversed until the overall allocation is extinguished, excluding Performance Fees earned. The provisions existing at the end of the financial year and the portion of Performance Fees resulting from the redemption of Shares during the financial year will be paid to the Investment Manager.

Examples of outperformance Fee calculations:

	<b>Net performance (*)</b>	<b>Underperformance (*) to be offset the following year</b>	<b>Performance Fee charged</b>	<b>Explanations</b>
Y0				
Y1	5%	0%	Yes	
Y2	0%	0%	No	
Y3	-5%	-5%	No	
Y4	3%	-2%	No	
Y5	2%	0%	No	
Y6	5%	0%	Yes	
Y7	5%	0%	Yes	
Y8	-10%	-10%	No	
Y9	2%	-8%	No	
Y10	2%	-6%	No	
Y11	2%	-4%	No	
Y12	0%	0%	No	The underperformance of Y12 to be carried forward to the next year (Y13) is 0% (not -4%) as the residual underperformance from Y8 that was not yet compensated (-4%) is no longer relevant as the 5-year period has elapsed (the underperformance of Y8 is compensated until Y12).

(\*) of the Sub-Fund compared to the reference fund

## Practical Information

This Sub-Fund is subject to specific tax treatment in Luxembourg (please refer to the Section entitled "Taxation" below"). Depending on your own country of residence, this might have an impact on your investment. For further details, please speak to an adviser.

Date of creation of the Sub-Fund: the date of creation of the Sub-Fund shall be determined by a resolution of the Board of Directors of the SICAV.

Valuation frequency: weekly on Fridays and on the last Bank Business Day of each month. If any Valuation Day falls on a day that is not a Bank Business Day, the Net Asset Value of the Sub-Fund shall be calculated on the immediately following Bank Business Day.



With respect to this Sub-Fund, a Bank Business Day is defined as any full day on which banks and stock exchanges are open for normal banking business in Luxembourg and in France.

Any requests for subscription, redemption or conversion of Shares must be received by the Sub-Fund in Luxembourg no later than 12:00 a.m. (CET) on any Bank Business Day (D-1) preceding the relevant Valuation Day (D). Any request received after 12:00 a.m. (CET) will be processed as of the immediately following Valuation Day (D+1). The Payment of the Subscription Price must be made within 2 Bank Business Days of the Valuation Day (D+2). The payment of the Redemption Price in respect of the redeemed Shares will take place within 2 Bank Business Days following the Valuation Day (D+2).

The Sub-Fund may issue the following shares in registered form only. The issuance of fractions of Shares to a maximum of four decimal places is permitted.

Share Class	ISIN	Type of investors	Currency	Minimum initial Subscription Requirement*	Fractional Shares	Dividend Policy
C EUR	LU2456231609	All investors	Euro	1 share (initial NAV : €100)	yes	Capitalization

\*The Board of Directors reserves the right to waive these minimum initial subscription requirements.

The Sub-Fund's shares are currently not listed on the Luxembourg Stock Exchange or any other stock exchange.

The relevant KID indicates where information on the historical performance of the Sub-Fund is available. The information on the portfolio of the Sub-Fund is disclosed in the annual and semi-annual reports of the SICAV. Additional information about the Sub-Fund (including full prospectus, KID and reports) may be obtained free of charge at the Registered Office of the Management Company and of the Administrative Agent. Notices to Shareholders may be published on the Management Company's website at <https://www.lu.rothschildandco.com/> under Asset Management.

## **PART II – GENERAL PART**

## INVESTMENT OBJECTIVES AND POLICIES

The provisions of this section apply only insofar as they are compatible with the specific investment objectives and policies disclosed in the Sub-Fund's Appendix to this Prospectus.

The Board of Directors determines the specific investment policy and investment objective of the Sub-Fund, which are described in more detail in the respective Sub-Fund Appendix. The investment objectives of each Sub-Fund will be carried out in compliance with the limits and restrictions set forth under chapter entitled "Investment Restrictions" below.

The investment objective of the SICAV is to achieve a certain level of current income through investing in a diversified range of securities throughout the markets of the world in accordance with the Sub-Funds' investment objectives as described below as well as in each Appendix.

In order to meet the aims of each Sub-Fund, it is intended in normal circumstances to maintain a policy of being invested in the relevant assets. Unless otherwise specified in the Appendices, each Sub-Fund may for hedging and/or efficient management purposes, also expose itself to such assets through the use of derivative instruments within the limits set forth in the section "Investment Restrictions" and employ techniques and instruments relating to Transferable Securities and Money Market Instruments as more fully described in the section "Use of Derivatives, Special Investment and Hedging Techniques".

There can be no assurance that the SICAV's or Sub-Fund's investment will be successful or that investment objectives of the SICAV or Sub-Funds will actually be achieved.

## INVESTMENT RESTRICTIONS

Unless more restrictive rules are provided for in the investment policy of any specific Sub-Fund, each Fund shall comply with the rules and restrictions detailed below and in the chapter entitled "Use of Derivatives, Special Investment and Hedging Techniques".

Investors should note that the Investment Manager of any Sub-Fund may decide to comply with more restrictive investment rules set forth by the laws and regulations of jurisdictions where such Sub-Fund may be marketed or by laws and regulations applicable to certain investors in such Sub-Fund.

If the limits set forth below or in the chapter entitled "Use of Derivatives, Special Investment and Hedging Techniques" are exceeded for reasons beyond the control of the Investment Manager, the Investment Manager must adopt as its primary objective in its sale transactions the remedying of such situation, taking due account of the interests of the Sub-Fund's Shareholders.

### Authorized Investments

If permitted by each Sub-Fund's investment policy, each Sub-Fund may invest in the assets described below.

1. At least 90% of each Sub-Fund's net assets must consist of:

a. Transferable securities or money market instruments admitted to or dealt in on a regulated market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments or any other regulated market that operates regularly, is recognized and is open to the public ("Regulated Market") located in a Member State or any other country of Europe, Asia, Oceania, Africa or the American continents.

b. Recently issued transferable securities or money market instruments for which an undertaking has been made that application will, or has been made, for admission to official listing on any Regulated Market, provided that such admission is effectively secured within one (1) year of issue.

c. Units of undertakings for collective investment in transferable securities ("UCITS ") authorized according to the EEC Council Directive of July 13, 2009 (2009/65/EC) ("UCITS Directive") and/or other undertakings for collective investment ("UCI") within the meaning of the first and second indent of Article

1, paragraph (2) a) and b) of the UCITS Directive, whether or not established in a Member State (as defined under the Law, provided that:

- Such investment in other UCIs shall not exceed 10% of each Sub-Fund's net assets (unless otherwise specified by the investment policies of a specific Sub-Fund as described in the appendices).
- Such other UCIs must be authorized under laws of either a Member State or a state in respect of which the Luxembourg supervisory authority considers that the level of (i) supervision of such UCIs is equivalent to that provided for under Community law and (ii) cooperation between the relevant local authority and the Luxembourg supervisory authority is sufficiently ensured.
- Such other UCIs must provide to their shareholders a level of protection that the Investment Manager may reasonably consider to be equivalent to that provided to unitholders by UCITS within the meaning of Article 1(2) a) and b) of the UCITS Directive, in particular with respect to the rules on assets segregation, applying to portfolio diversification and borrowing, lending and short sales transactions.
- Such UCIs must issue semi-annual and annual reports.
- The organizational documents of the UCITS or of the other UCIs must restrict investments in other undertakings for collective investment to no more than 10% of their aggregate net assets.

d. Time or term deposits with credit institutions, under the following restrictions:

- Such deposits may be withdrawn at any time.
- Such deposits must have a residual maturity of less than twelve (12) months.
- The credit institution must have its registered office in a Member State or, if its registered office is located in another state, the credit institution must be

subject to prudential rules considered by the Luxembourg supervisory authority to be equivalent to those provided for under Community law.

e. Money market instruments other than those dealt in on a Regulated Market, under the following restrictions:

- The issue or the issuer of such instruments must be regulated in terms of investor and savings protection.
- Such instruments must be either (i) issued or guaranteed by a Member State, its local authorities or central bank, the European Central Bank, the EU, the European Investment Bank, any other state that is not a Member State, a public international body of which one or more Member States are members or, in the case of a federal state, any one of the entities forming part of the federation; or (ii) issued by a corporate entity whose securities are traded on a Regulated Market; or (iii) issued or guaranteed by an entity that is subject to prudential supervision in accordance with criteria defined under Community law; or (iv) issued or guaranteed by an entity that is subject to prudential rules considered by the Luxembourg supervisory authority to be equivalent to those provided for under Community law; or (v) issued by other entities that belong to categories of issuers approved by the Luxembourg supervisory authority, provided that investments in such instruments are subject to investor protection equivalent to that provided by the types of issuers mentioned in Paragraph e.(i) to (iv) above. The issuer of the instruments referred to in Paragraph e.(v) above must be a company (x) whose capital and reserves amount to at least €10 million, (y) that issues its annual financial statements in accordance with EEC Council Directive 78/660/EEC, and (z) that, within a group of companies including at least one listed company, is dedicated to the financing of the group or is an entity dedicated to the financing of securitization vehicles that benefits from a bank liquidity line.

f. Derivatives, under the conditions set forth in the chapter entitled "Use of Derivatives, Special Investment and Hedging Techniques".

g. Cash, under the conditions set forth in the section below entitled "Cash Management".

h. Securities issued by one or several other Sub-Funds (the "Target Fund(s)"), under the following conditions:

- the Target Fund does not invest in the investing Sub-Fund;
  - not more than 10% of the assets of the Target Fund may be invested in other Sub-Funds;
  - the voting rights linked to the transferable securities of the Target Fund are suspended during the period of investment;
  - in any event, for as long as these securities are held by the SICAV, their value will not be taken into consideration for the calculation of the Net Asset Value for the purposes of verifying the minimum threshold of the net assets imposed by the Law; and
  - there is no duplication of management/ subscription or repurchase fees between those at the level of the Sub-Fund having invested in the Target Fund and those of the Target Fund.
2. Up to 10% of each Fund's net assets may consist of assets other than those referred to under Paragraph 1 above.

### **Cash Management**

Each Fund may:

1. Hold ancillary liquid assets, which enables a Fund to hold up to 20% of its net assets in bank deposits at sight, whereas, in exceptional circumstances, such as in the event of a large subscription request, this limit may be temporarily exceeded if the SICAV considers this to be in the best interest of the Shareholders.
2. Borrow up to 10% of its net assets on a temporary basis.
3. Acquire foreign currency by means of back-to-back loans.

### **Investments in any one Issuer**

For the purpose of the restrictions described in Paragraphs 1 through 5 and 8 below and

Paragraphs 2, 5 and 6 of the chapter entitled "Use of Derivatives, Special Investment and Hedging Techniques", issuers that consolidate or combine their accounts in accordance with Directive 83/349/EEC or recognized international accounting rules are regarded as one and the same issuing group ("Issuing Group").

Issuers that are UCIs structured as SICAVs, defined as a legal entity with several separate Funds or portfolios, whose assets are held exclusively by the investors of such Fund or portfolio and which may be held severally liable for its own debts and obligations shall be treated as a separate issuer for the purposes of Paragraphs 1 through 5, 7 through 8 below and Paragraphs 2 and 4 through 6 of the chapter entitled "Use of Derivatives, Special Investment and Hedging Techniques".

Each Sub-Fund shall comply with the following restrictions (within six (6) months following its launch):

### **Transferable Securities and Money Market Instruments**

1. Each Sub-Fund shall comply with the following restrictions:
  - a. No Sub-Fund may invest more than 10% of its net assets in transferable securities or money market instruments of any one issuer.
  - b. Where investments in transferable securities or money market instruments of any one issuer exceed 5% of the Sub-Fund's net assets, the total value of all such investments may not exceed 40% of the Sub-Fund's net assets. This limitation does not apply to time deposits and OTC Derivatives that satisfy the requirements described in the chapter entitled "Use of Derivatives, Special Investment and Hedging Techniques" below.
2. No Sub-Fund may invest or expose in the aggregate more than 20% of its net assets in transferable securities or money market instruments issued by the same Issuing Group.
3. Notwithstanding the limit set forth in Paragraph 1.a. above, each Sub-Fund may invest or be exposed up to 35% of its net assets in any one issuer of transferable securities or money market instruments that

are issued or guaranteed by a Member State, its public local authorities, any other state that is not an EU Member State or a public international body of which one or more Member States are members.

4. Notwithstanding the limit set forth in Paragraph 1.a. above, each Sub-Fund may invest or be exposed up to 25% in any one issuer of covered bonds as defined under article 3 (1) of EU directive of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending directives 2009/65/EC and 2014/59/EU and of certain qualifying debt securities issued before 8 July 2022 by a credit institution that has its registered office in a Member State and, under applicable law, is submitted to special public supervision in order to protect the holders of such qualifying debt securities. In particular, sums deriving from the issue of those qualifying debt securities issued before 8 July 2022 shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.. Where investments in any one issuer of covered bonds and qualifying debt securities mentioned above exceed 5% of the Sub-Fund's net assets, the total value of such investments may not exceed 80% of the Sub-Fund's net assets.
5. The investments referred to in Paragraphs 3 and 4 above may be disregarded for the purposes of calculating the 40% limit set forth in Paragraph 1.b. above.
6. **Notwithstanding the foregoing, each Fund may invest or be exposed up to 100% of its net assets in transferable securities or money market instruments issued or guaranteed by a Member State, its local authorities, any other Member State of the Organization for Economic Co-operation and Development ("OECD"), Singapore, Brazil, or a public international body of which one or more Member States are members, provided that such securities are part of at least six different issues and the securities from any one issue do not account for more than 30% of the Fund's net assets.**

7. Notwithstanding the limits set forth in Paragraph 1 above, each Sub-Fund whose investment policy is to replicate the composition of a stock or debt security index may invest or be exposed up to 20% of its net assets in stocks or debt security issued by any one issuer under the following restrictions:

- a. The index must be recognized by the Luxembourg supervisory authority.
- b. The composition of the index must be sufficiently diversified.
- c. The index must be an adequate benchmark for the market represented in such index.
- d. The index must be appropriately published.

The 20% limit referred to above may be raised to 35% under exceptional market conditions, particularly those impacting the Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this 35% limit is only permitted for one single issuer.

#### ***Bank Deposits***

8. A Sub-Fund may not invest or expose more than 20% of its net assets in deposits made with any one institution.

#### ***Units of other UCIs***

9. Each Sub-Fund shall comply with the following restrictions:
  - a. No Sub-Fund may invest or expose more than 20% of its net assets in the units of any UCITS and/or UCI referred to in Paragraph 1.c under "Authorized Investment" above. For the purposes of this Paragraph, each sub-fund of a UCITS or UCI with multiple sub-funds within the meaning of the Law must be considered as a separate issuer, provided that each sub-fund may be held severally liable for its own debts and obligations.
  - b. Investments made in units of UCIs other than UCITS may not in the aggregate exceed 30% of the net assets of each Fund.
  - c. When a Sub-Fund has acquired units of

other UCITS and/or UCIs, the underlying assets of such UCITS and/or other UCIs do not have to be taken into account for the purposes of the limits set forth in Paragraphs 1 through 5 and 8 of the section entitled "Investment in any one issuer" and Paragraphs 2, 5 and 6 of the chapter entitled "Use of Derivatives, Special Investments and Hedging Techniques".

- d. If any UCITS and/or UCI in which a Sub-Fund invests is managed directly or indirectly by the same investment manager or if such UCITS and/or UCI is managed by a company linked to the Sub-Fund by common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes, investment in the securities of such UCITS and/or UCI shall be permitted only if neither sales charges nor redemption charges are paid by the Sub-Fund on account of such investment.
- e. A Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or UCIs shall disclose in the Prospectus the maximum level of investment management fees that may be charged both to the Sub-Fund itself and to the other UCITS and/or UCIs in which it intends to invest. In its annual report, the SICAV shall indicate the investment management fees actually charged both to the Sub-Fund itself and to the other UCITS and/or UCIs in which the Sub-Fund invests.

### **Master-feeder Structures**

Any Sub-Fund which acts as a feeder fund (the "Feeder") of a master fund shall invest at least 85% of its assets in shares/units of another UCITS or of a compartment of such UCITS (the "Master"), which shall neither itself be a feeder fund nor hold units/shares of a feeder fund. The Feeder may not invest more than 15% of its assets in one or more of the following:

- a) ancillary liquid assets in accordance with Article 41 (2), second paragraph of the Law;
- b) financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 (1) g) and Article 42 (2) and (3) of the Law;
- c) movable and immovable property which is essential for the direct pursuit of the SICAV's

business.

When a Sub-Fund invests in the shares/units of a Master which is managed, directly or by delegation by the same management company or by any other company with which such management company is linked by common management or control, or by a substantial direct or indirect holding, the management company or such any other company may not charge subscription or redemption fees on account of the Sub-Fund investment in the shares/units of the Master, except replication charges.

The maximum level of the management fees that may be charged both to the Feeder and to the Master is disclosed in this Prospectus. The SICAV indicates the maximum proportion of management fees charged both to the Sub-Fund itself and to the Master in its annual report. The Master shall not charge subscription or redemption fees for the investment of the Feeder into its shares/units or the disinvestment thereof. However, for avoidance of doubt, the Master shall be entitled to charge replication charges.

The SICAV, the Management Company and Rothschild & Co Asset Management, acting as the management company of the Masters entered into a Master-Feeder Funds Agreement, as modified from time to time. The Master-Feeder Funds Agreement describes, *inter alia*, the documents and information-sharing obligations, the coordination measures and certain other ancillary obligation in relation to the Master-Feeder structure. Copies of such Master-Feeder Funds Agreement, as modified from time to time, are available for inspection as set out in chapter "Documents Available" below.

### **Combined Limits**

- 10. Notwithstanding the limits set forth in Paragraphs 1 and 8 of the section entitled "Investment in any one Issuer" and Paragraph 2 of the chapter entitled "Use of Derivatives, Special Investments and Hedging Techniques", no Sub-Fund may combine (a) investments in transferable securities or money market instruments issued by, (b) deposits made with, or (c) exposure arising from OTC Derivative transactions undertaken with, any one entity in excess of 20% of its net assets.
- 11. The limits set forth in Paragraphs 1, 3, 4 and 8 of the section entitled "Investments in any one Issuer" and Paragraph 2 of the entitled

"Use of Derivatives, Special Investments and Hedging Techniques" may not be aggregated. Accordingly, each Fund's investments in transferable securities or money market instruments issued by, and deposits or derivatives instruments made with, any one issuer in accordance with Paragraphs 1, 3, 4 and 8 of the section entitled "Investments in any one Issuer" and Paragraph 2 and 5 of the chapter entitled "Use of Derivatives, Special Investment and Hedging Techniques" may under no circumstances exceed 35% of its net assets.

### **Influence over any one Issuer**

The influence that the SICAV or each Sub-Fund may exercise over any one issuer shall be limited as follows:

1. Neither the SICAV nor any Sub-Fund may acquire shares with voting rights which would enable such Sub-Fund or the SICAV as a whole to exercise a significant influence over the management of the issuer.
2. Neither any Sub-Fund nor the SICAV as a whole may acquire (a) more than 10% of the outstanding non-voting shares of the same issuer, (b) more than 10% of the outstanding debt securities of the same issuer, (c) more than 10% of the money market instruments of any single issuer, or (d) more than 25% of the outstanding units of the same UCITS and/or UCI.

The limits set forth in Paragraph 2(b) through 2(d) above may be disregarded at the time of the acquisition if at that time the gross amount of debt securities or money market instruments or the net amount of the instruments in issue may not be calculated.

The limits set forth in paragraphs 1 and 2 of this section above do not apply in respect of:

- Transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities, any other state that is not a Member State or a public international body of which one or more Member States are members.
- Shares held by the SICAV in the capital of a company incorporated in a state that is not a Member State provided that (a) this issuer invests its assets mainly in securities issued by issuers of that state, (b) pursuant to the laws of that state such holding constitutes the only possible way for the Sub-Fund to purchase

securities of issuers of that state, and (c) such company observes in its investment policy the restrictions in this section as well as those set forth in Paragraphs 1 through 5 and 8 through 11 of the section entitled "Investments in any one Issuer" and Paragraphs 1 and 2 of this section.

- Shares in the capital of affiliated companies which, exclusively on behalf of the SICAV, carry on only the activities of management, advice or marketing in the country where the affiliated company is located with respect to the redemption of Shares at the request of Shareholders.

### **Overall Risk Exposure and Risk Management Process**

The Management Company must implement a risk management process that enables it to monitor and measure at any time the risks related to the assets held in the Sub-Funds and their contribution to the overall risk profile of the Sub-Funds.

Whenever such risk management process is implemented on behalf of the Management Company by the Investment Manager, it is deemed to be implemented by the Management Company.

Specific limits and risks relating to financial derivatives instruments are respectively described under the section "Derivatives" of the chapter entitled "Use of Derivatives, Special Investment and Hedging Techniques" and the section "risks associated with Financial Derivatives Instruments" of the chapter entitled "General Risk Considerations" below.

### **Prohibited Transactions**

Each Sub-Fund is prohibited from engaging in the following transactions:

- Acquiring commodities, precious metals or certificates representing commodities or metals, provided that transactions in financial instruments, indices or Transferable Securities as well as futures and forward contracts, options and swaps thereon are not considered to be transactions in commodities for the purposes of this restriction.
- Investing in real property unless investments are made in securities issued by companies that invest in real estate or interests in real estate;
- Issuing warrants or other rights to subscribe in Shares of the Fund;
- Granting loans or guarantees in favour of a



third party. However such restriction shall not prevent each Sub-Fund from investing up to 10% of its net assets in non-fully paid-up transferable securities, money market instruments, units of other UCIs or financial derivative instruments; and

- Entering into uncovered short sales of transferable securities, money market instruments, units of other UCIs or financial derivative instruments.

## USE OF DERIVATIVES, SPECIAL INVESTMENT AND HEDGING TECHNIQUES

As a general rule, each sub-Fund may, to the maximum extent authorized by law, invest in all type of derivative instruments in order to achieve its investment objective. For the purpose of hedging, efficient portfolio management, duration management, other risk management of the portfolio or investment, a Sub-Fund may use all authorized techniques and instruments relating to transferable securities and other liquid assets.

Under no circumstance shall these operations cause a Sub-Fund to fail to comply with its investment objective.

Each Sub-Fund is to be considered as a separate UCITS for the application of this section.

### ***Investments in total return swaps***

When a Sub-Fund invests in total return swaps or in other financial derivative instruments with similar characteristics, information relating to the underlying assets and strategy and to the relevant counterparties shall be described in the relevant Sub-Fund.

### **Derivatives**

1. A Sub-Fund may use derivatives, including options, futures, swaps and forward contracts, for risk management, hedging or investment purposes, as specified in the Sub-Fund's investment policy. Any such derivatives transaction shall comply with the following restrictions:

- a. Such derivatives must be traded on a Regulated Market or over-the-counter with counterparties that are subject to prudential supervision and belong to the categories of counterparties approved by the Luxembourg supervisory authority and specialized in this type of transactions.

- b. The underlying assets of such derivatives must consist of either the instruments mentioned in Paragraph 1 of the section entitled "Authorized Investments" or financial indices, interest rates, foreign exchange rates or currencies in which the relevant Sub-Fund invests in accordance with its investment objective.
- c. Such derivatives, if traded over-the-counter ("OTC Derivatives"), must be subject to reliable and verifiable pricing on a daily basis and may be sold, liquidated or closed by an offsetting transaction by the Sub-Fund at any time at their fair value.

### ***Investments in any one Issuer***

2. The risk exposure to any one counterparty in an OTC Derivative transaction may not exceed:
  - a. 10% of each Sub-Fund's net assets when the counterparty is a credit institution that has its registered office in a Member State or, if its registered office is located in another state, that is subject to prudential rules considered by the Luxembourg supervisory authority to be equivalent to those provided for under Community law, or
  - b. 5% of each Sub-Fund's net assets when the counterparty does not fulfil the requirements set forth above.
3. Investments in financial derivatives instruments that are not index-based shall comply with the limits set forth in Paragraphs 2, 5 and 11 of the section entitled "Investments in any one Issuer" of the chapter entitled "Investment Restrictions" and Paragraph 6 of this chapter, provided that the exposure to the

underlying assets does not exceed in the aggregate the investment limits set forth in Paragraphs 1 through 5 and 8 of the chapter entitled "Investment Restrictions" and Paragraphs 2, 5 and 6 of this chapter.

4. When a transferable security or money market instrument embeds a derivative, such derivative must comply with the requirements of Paragraph 3 above and those set forth under "Global Risk Exposure" below.

### **Combined Limits**

5. Notwithstanding the limits set forth in Paragraphs 1 and 8 of the section entitled "Investment in any one Issuer" and Paragraph 2 of the chapter entitled "Use of Derivatives, Special Investments and Hedging Techniques", no Sub-Fund may combine (a) investments in transferable securities or money market instruments issued by, (b) deposits made with, or (c) exposure arising from OTC Derivative transactions undertaken with, any one entity in excess of 20% of its net assets.
6. The limits set forth in Paragraphs 1, 3, 4 and 8 of the section entitled "Investments in any one Issuer" and Paragraph 2 of the chapter entitled "Use of Derivatives, Special Investments and Hedging Techniques" may not be aggregated. Accordingly, each Sub-Fund's investments in transferable securities or money market instruments issued by, and deposits or derivatives instruments made with, any one issuer in accordance with Paragraphs 1, 3, 4 and 8 of the section entitled "Investments in any one Issuer" and Paragraph 2 and 5 of the chapter entitled "Use of Derivatives, Special Investment and Hedging Techniques" may under no circumstances exceed 35% of its net assets.

### **Global Risk Exposure**

7. Except as otherwise stated therein, each Sub-Fund's global risk exposure relating to financial derivative instruments must not exceed such Sub-Fund's net assets. The SICAV reserves the right to apply more restrictive limits with respect to each Sub-Fund's risk exposure.

The Sub-Fund's global risk exposure is calculated by using the standard commitment approach. "Standard commitment" approach means that each financial derivative instrument position is

converted into the market value of an equivalent position in the underlying asset of that derivative taking account of netting and hedging arrangements. The Sub-Fund's global risk exposure is also evaluated by taking into account foreseeable market movements and the time available to liquidate the positions.

The SICAV must implement processes for accurate and independent assessment of the value of OTC Derivatives.

### **Prohibited Transactions**

8. Each Fund is prohibited from engaging in uncovered short sales of financial derivative instruments.

## **Securities Financing Transactions: Securities Lending and Borrowing Techniques and Instruments**

### **General**

The Sub-Funds may employ techniques and instruments relating to Transferable Securities and Money Market Instruments for hedging and efficient portfolio management purposes within the conditions and limits provided by (i) article 11 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the 2002 Law, (ii) the CSSF circular 08/356 issued by the CSSF on 4 June 2008 (the "CSSF Circular 08/356") (as may be amended, supplemented or replaced), (iii) CSSF circular 14/592 regarding the ESMA Guidelines on ETFs and other UCITS issues (the "CSSF Circular 14/592") and (iv) any guidelines issued from time to time by the European Securities and Markets Authority ("ESMA"), as well as for investment purposes. When a Sub-Fund uses SFTs, such use shall be described in the relevant Sub-Fund

When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in "Investment Restrictions" above.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as set out in the relevant Appendix.

All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Depositary or the Management Company will be available in the annual report of the Fund. Use of the aforesaid techniques and instruments involves certain risks and there is no assurance that the objective sought to be obtained from such a use will be achieved.

It is first to be noted that although applicable regulations require each Sub-Fund entering into one of the above transactions to receive sufficient collateral to reduce its counterparty exposure, these regulations do however not compulsorily require a full coverage of such counterparty exposure. This leaves room for the Sub-Funds to be exposed to a net counterparty risk and investors should be aware of the possible resulting loss in case of default of the relevant counterparty.

In relation to repurchase transactions and reverse repurchase transactions, investors must notably be aware that in the event of the failure of the counterparty from which securities have been purchased or sold there is the risk that the value of the securities purchased or sold may yield less than the cash originally paid, notably because of inaccurate pricing of said securities, an adverse market value evolution, a deterioration in the credit rating of the issuers of such securities, or the illiquidity of the market in which these are traded.

In relation to securities lending transactions, investors must notably be aware that if the borrower of securities lent by a Sub-Fund fail to return these there is a risk that the collateral received may be realised at a lower value than the value of the securities lent out, notably due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded.

### **Repurchase Agreements**

A repurchase agreement is an agreement involving the purchase and sale of securities with a clause reserving to the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement.

A Sub-Fund may enter into repurchase agreement transactions and may act either as purchaser or seller in repurchase agreement

transactions or a series of continuing repurchase transactions under the following restrictions:

- A Sub-Fund may buy or sell securities using a repurchase agreement transaction only if the counterparty in such transactions is a financial institution specializing in this type of transactions and is subject to prudential supervision rules considered by the CSSF as equivalent to those set forth by Community law;
- During the life of a repurchase agreement, a Sub-Fund cannot sell the securities that are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or before the repurchase term has expired except to the extent the Sub-Fund has other means of coverage; and
- A Sub-Fund's level of exposure to repurchase agreement transactions must be such that it is able, at all times, to meet its redemption obligations.
- A Sub-Fund's counterparty risk arising from one or more securities lending transactions, sale with right of repurchase transaction or repurchase/reverse repurchase transaction vis-à-vis one same counterparty may not exceed:
  - 10% of the Sub-Fund's net assets if such counterparty is a credit institution having its registered office in the European Union or in a jurisdiction considered by the CSSF as having equivalent prudential supervision rules; or
  - 5% of the Sub-Fund's net assets in any other case.

### **Securities Lending and Borrowing**

A Sub-Fund may enter into securities lending and borrowing transactions; provided that:

- The Sub-Fund may only lend or borrow securities either directly or through a standardized lending system organized by a recognized clearing institution or through a lending system organized by a financial institution that specializes in this type of transactions that is subject to prudential supervision rules which are considered by the CSSF as equivalent to those set forth by Community law, in exchange for a securities lending fee;
- The Sub-Fund is able at any time to recall any security that has been lent out or terminate any

securities lending agreement into which it has entered.

### Disclosure in the Financial Statements

The following information will be disclosed in the financial statements of the SICAV:

- the exposure of the SICAV obtained through efficient portfolio management techniques;
- the identity of the counterparty(ies) to these efficient portfolio management techniques;
- the type and amount of collateral received by the SICAV to reduce counterparty exposure in accordance with the collateral policy;
- the identity of the entity(ies) to which direct and indirect operational costs and fees are paid and whether or not these are related parties to the Management Company or the Depositary.

### Selection of counterparties

The selections of the counterparties to OTC financial derivative transactions and efficient portfolio management techniques (including SFTs) is made in accordance with the Management Company's best execution policy. More precisely, those counterparties are selected on the basis of the following criteria:

- the counterparties are highly-rated financial institutions i.e. they have a credit rating of at least BBB- (Standard & Poor's Ratings Services, Inc.) or an equivalent rating by Fitch Ratings or other Nationally Recognized Statistical Rating Organization;
- the counterparties are specialized in this type of transactions;
- The counterparties are subject to prudential rules considered by the Luxembourg supervisory authority to be equivalent to those provided for under EU law.

### Collateral Management

Assets received from counterparties in securities lending activities, reverse repurchase transactions, and OTC derivative transactions other than currency forwards constitute collateral.

Collateral shall comply with applicable regulatory standards, in particular CSSF circular 14/592 regarding the ESMA guidelines

on ETFs and other UCITS issues.

This collateral must be given in the form of (i) liquid assets and/or (ii) bonds issued or guaranteed by a member state of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope, (iii) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent, (iv) shares or units issued by UCITS investing in bonds/shares issued or guaranteed by first class issuers offering an adequate liquidity, (v) shares or units issued by UCITS investing in shares admitted to or dealt in on a regulated market or on a stock exchange of a member state of the OECD provided that they are included in a main index, (vi) direct investment in bonds and shares with the characteristics mentioned in (iv) and (v).

The collateral must be valued on a daily basis. The value of the collateral received will be at least 100% of the exposure of the Sub-Fund on any such counterparty.

Collateral may be offset against gross counterparty exposure provided it meets applicable regulatory standards, including those for liquidity, valuation, issuer credit quality, correlation and diversification. In offsetting collateral its value is reduced by a percentage (a "haircut") which provides, inter alia, for short term fluctuations in the value of the exposure and of the collateral.

Eligible Collateral	Haircut
Cash	0%
Investment grade Sovereign Debt	2%
Other	5%

Non cash collateral received by the SICAV in respect of any of these transactions may not be sold, reinvested or pledged.

As the case may be, cash collateral received by a sub-fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objectives of the sub-fund in accordance with the CSSF Circular 14/592 and will only be:

- (i) placed on deposit with entities prescribed in Article 50(f) of the UCITS Directive;
- (ii) invested in high-quality government bonds;
- (iii) used for the purpose of reverse repo transactions provided the transactions are with

credit institutions subject to prudential supervision and the sub-fund is able to recall at any time the full amount of cash on accrued basis; or

- (iv) invested in short-term money market funds as defined in the CESR Guidelines on a Common Definition of European Money Market Funds (Re – CESR/10-049).

Re-invested cash collateral shall be diversified in accordance with the diversification requirements applicable to non-cash collateral.

Re-invested cash collateral is subject to the risks set out in the "GENERAL RISK CONSIDERATIONS" section below.

## GENERAL RISK CONSIDERATIONS

Various factors may adversely affect the value of a Sub-Fund's assets. The following are the principal risks of investing in the SICAV. All Sub-Funds are potentially exposed to the general risk referred below. However, this Section does not purport to be exhaustive and other factors may affect the value of an investment. **For specific risk considerations relating to any Sub-Fund, please refer to the "Risk Profile" section in the relevant Appendix.**

### Market risk

Some markets on which Sub-Fund may invest may prove at time to be highly volatile or insufficiently liquid. This may affect significantly the market price of such a Sub-fund's securities and, therefore its Net Asset Value.

### Risk of loss of capital

Except where the Prospectus explicitly references the existence of a capital guarantee at a given date, and subject to the terms thereof, no guarantee is made or supplied to investors with respect to the restitution of their initial or subsequent investment in a Share.

Loss of capital may be due to direct or indirect exposure or counterparty exposure.

### Equity security risk

Equities invested by the Sub-Funds may involve substantial risks and may be subject to wide and sudden fluctuation in market value, with a resulting fluctuation in the amount of profits and losses.

Shares' prices on equity markets may fluctuate namely pursuant to investor's expectations or anticipations, causing high potential volatility risk. Volatility on equity markets has historically been much greater than the volatility of fixed income markets.

### **Capitalization Size of Companies – Small and Mid-Capitalization Companies**

Investments in small and mid-capitalization companies may involve greater risks than investments in larger companies. As a result of trading less frequently than large stocks, stocks of small and mid-size companies may be subject to wider price fluctuations and may be less liquid.

### Convertible security risks

Certain Sub-Funds may invest in convertible securities which are securities generally offering fixed interest or dividend yields which may be converted either at a stated price or stated rate for common or preferred stock. Although to a lesser extent than with fixed income securities generally, the market value of convertible securities tends to decline as interest rates or credit risk rise. Because of the conversion feature, the market value of convertible securities also tends to vary with fluctuations in the market value and volatility of the underlying common or preferred stock.

### Sustainability risk

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosure in the financial services sector as amended (SFDR), governs the transparency requirements regarding the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of Environment, Social, and Governance (ESG) and sustainability-related information.

Sustainability risk means the occurrence of an ESG event or condition that could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk-adjusted returns for investors. The assessment of sustainability risks is complex and may be based on ESG data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that such data will be correctly assessed.

The consideration of sustainability risks and ESG criteria in the investment process relies on the use of non-financial criteria. Their application may lead to the exclusion of issuers and the loss of certain market opportunities. Consequently, fund performance may be higher or lower than that of a fund that does not take these criteria into account. ESG data, whether from internal or external sources, is based on valuations without strict market standards. This leaves room for a degree of subjectivity that can

result in an issuer rating that differs significantly from one provider to another. In addition, ESG criteria may be incomplete or inaccurate. There is a risk of incorrect rating of a security or issuer. These different aspects make it difficult to compare strategies incorporating ESG criteria.

### **Risks associated with Financial Derivatives Instruments**

Each Sub-Fund may engage in derivatives transactions as part of its investment strategy for hedging and efficient portfolio management purpose. These strategies currently include the use of listed and OTC derivatives.

A derivative is a contract whose price is dependent upon or derived from one or more underlying assets. The most common derivatives instruments include, without limitation, futures contracts, forward contracts, options and swaps.

These instruments are volatile and may be subject to various types of risks, including but not limited to market risk, liquidity risk, credit risk, counterparty risk, legal risk, operational risk and systemic risk.

Furthermore, when used for hedging purposes, there may be an imperfect correlation between derivatives instruments and the investments or market sectors to be hedged. This might result in an imperfect hedge of these risks and a potential loss of capital.

Most derivatives are characterized by high leverage.

The principal risks associated with using derivatives in managing a portfolio are:

- a higher absolute market exposure for Sub-Funds that make an extensive use of derivatives;
- difficulty of determining whether and how the value of a derivative will correlate to market movements and other factors external to the derivative;
- difficulty of pricing a derivative, especially for non-standard derivatives that are traded over-the-counter or for which there is a limited market.
- difficulty for a Sub-Fund, under certain market conditions, to dispose of certain derivatives when those derivatives no longer serve their purposes.

### **Credit Default Swaps**

A credit default swap is a bilateral financial contracts in which one counterparty (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer.

The protection buyer acquires the right to sell a particular bond or other designated reference obligations issued by the reference issuer for its par value or the right to receive the difference between par value and market price of the said bond or other designated reference obligations (or some other designated reference or strike price) when a credit event occurs. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The International Swap and Derivatives Association (ISDA) has produced standardized documentation for these derivatives transactions under the umbrella of its ISDA Master Agreement. The Sub-Fund may use credit derivatives in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection. In addition, the Sub-Fund may, provided it is in its exclusive interest, buy protection under credit derivatives without holding the underlying assets. Provided it is in its exclusive interest, the Sub-Fund may also sell protection under credit derivatives in order to acquire a specific credit exposure. The Sub-Fund will only enter into OTC credit derivatives transactions with highly rated financial institutions specialized in this type of transaction and only in accordance with the standard terms laid down by the ISDA Master Agreement. The maximum exposure of the Sub-Fund may not exceed 100% of its net assets.

### **Counterparty risks**

Some Funds are exposed to counterparty risks associated to counterparties with which they engage in exchange-traded or OTC transactions, or repurchase agreements and securities-lending transactions. In the case of insolvency or failure to perform any of its obligations of any such party, such a Sub-Fund will incur a loss which might negatively impact the return of the Sub-Fund.

### **Interest Rate risks**

The market value of financial instruments may change in response to fluctuations in interest rates.

Interest rate involves the risk that, when interest rates increase, the market value of fixed-income securities tends to decline. Conversely, when interest rates decline, the market value of fixed-income securities tends to increase. As a result, the Net Asset Value may be affected. Long-term fixed-income securities will normally have more price volatility because of this risk than short-term securities.

### **Foreign exchange/currency risks**

Some Sub-Funds are invested in securities denominated in a number of different currencies other than their reference currency. Changes in foreign currency exchange rates will affect the value of some securities held by such Sub-Funds and bring additional volatility.

### ***Currency risk at Share Class level***

For unhedged Share Classes denominated in currencies different from the Sub-Fund's reference currency, the Share Class value follows fluctuations of the exchange rate between the Share Class currency and the Sub-Fund's reference currency. Therefore, this can generate additional volatility at Share Class level.

### **Credit Risks**

Credit risk involves the risk that issuers of securities held by the Sub-Fund may default on their obligations to pay interests and repay principal. In such case, the Sub-Fund does not recover its investments.

Moreover, the price of any debt security acquired by a Sub-Fund normally reflects the perceived risk of default of the issuer of that security at the time the Sub-Fund acquired the security. If after acquisition the perceived risk of default increases, the value of the security held by the Sub-Fund is likely to fall.

### **Risk linked to high yield debt securities**

Some of the high yield securities held in the portfolio may involve increased credit and market risk; such securities are subject to the risk of an issuer's inability to meet principal and interest payments on its obligations (credit risk) and may also be subject to price volatility due to such factors as interest rate duration, market perception of the creditworthiness of the issuer and general market liquidity.

### **Risk linked to investments in Emerging Markets**

Investments in emerging market securities involve certain risks, such as illiquidity and volatility, which may be greater than those generally associated with investing in developed markets. Some governments exercise substantial influence over the private economic sector and investment may be affected by political and economic instability. The extent of economic development, political stability, market depth, infrastructure, capitalization, and regulatory oversight in emerging market economies may be less than in more developed countries.

### **Risk linked to investments in H shares**

Funds may invest in H shares which are shares of Chinese mainland companies listed on the Hong Kong Stock Exchange. Investments in H shares involve certain risks, such as illiquidity and volatility. Changes in economic, political and social conditions and government policies in China may significantly affect the market price of H shares.

### **Global Investing**

International investing involves certain risks such as currency exchange rate fluctuations, political or regulatory developments, changes in laws or tax regimes, economic instability and lack of information transparency. Securities in one or more markets may also be subject to limited liquidity and different clearance or settlement procedures.

### **Change in Laws and/or Tax Regime Risks**

Each Sub-Fund is subject to the laws and tax regime of Luxembourg. The SICAV must comply with regulatory constraints or changes in the laws affecting it, the Shares, or the investment restrictions, which might require a change in the investment policy and objectives followed by a Sub-Fund.

The securities held by each Sub-Fund and their issuers will be subject to the laws and tax regimes of various other countries. Changes to any of those laws and tax regimes, or any tax treaty between Luxembourg and another country, could adversely affect the value of those securities.

### **Concentration Risks**

Sub-Funds may focus their investments in certain companies, sectors of the economy,



countries or geographical regions, or ratings. This may lead to adverse consequences for such Sub-Fund when such companies, sectors, countries or rating become less valued.

The strategy of investing in a limited number of stocks has the potential to generate attractive returns over time, it may increase the volatility of the Sub-Fund's investment performance as compared to funds that invest in a larger number of stocks. If the stocks in which such Sub-Fund invest perform poorly, the Sub-Fund could incur greater losses than if it had invested in a larger number of stocks.

#### **Risk linked to implied volatility**

The Sub-Fund may be exposed to the implied volatility of underlying assets in which it invests. If the implied volatility decreases, the Sub-Fund's Net Asset Value may also decrease.

#### **Liquidity Risks**

Some markets, on which Sub-Funds may invest, may prove at time to be insufficiently liquid or illiquid. This affects the market price of such a Sub-Fund's securities and therefore its Net Asset Value.

Furthermore, there is a risk that, because of a lack of liquidity and efficiency in certain markets due to unusual market conditions or unusual high volumes of repurchase requests or other reason, Sub-Funds may experience some difficulties in purchasing or selling holdings of securities and, therefore, meeting subscriptions and redemptions in the time scale indicated in the Prospectus.

In such circumstances, the Management Company may, in accordance with the SICAV's Articles and in the investors' interest, suspend subscriptions and redemptions or extend the settlement timeframe.

#### **Management Risk**

For any given Sub-Fund, there is a risk that investment techniques or strategies are unsuccessful and may incur losses for the Sub-Fund. Shareholders will have no right or power to participate in the day-to-day management or control of the business of the Sub-Funds.

Past performance is not a reliable indicator as to future performance. The nature of and risks associated with the Sub-Fund's future performance may differ materially from those investments and strategies historically

undertaken by the portfolio manager. There can be no assurance that the portfolio manager will realise returns comparable to those achieved in the past or generally available on the market.

#### **Risk Associated with investments in CoCos**

Contingent convertible securities ('CoCos') are a form of hybrid debt security issued by banks to meet post financial crisis regulatory requirements, in particular to absorb losses in times of stress. CoCos are intended to either convert into equity or have their principal written down upon the occurrence of certain 'triggers' linked to regulatory capital thresholds or where the issuing banking institution's regulatory authorities considers this to be necessary. Because conversion occurs after a specified event, conversion may occur when the share price of the underlying equity is less than when the security was issued or purchased, resulting in greater potential compared to conventional convertible securities for capital loss. Investments in contingent convertible securities may also specific risks related to trigger levels (trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level), cancellation of coupons (Coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time), capital structure inversion (In certain scenarios, holders of CoCos may suffer losses of capital when equity holders do not), call extension (some CoCos are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority). Furthermore, the structure of CoCos is innovative yet untested, and it is uncertain how they will perform.

#### **Risk Associated with investments in ABS/MBS**

Certain Funds may invest in mortgage-backed ("MBS") and asset-backed securities ("ABS"). ABS and MBS provide exposure, synthetically or otherwise, to underlying assets and the risk/return profile is determined by the cash flows derived from such assets. The price of such securities could be contingent on, or highly sensitive to, changes in the underlying components of the securities. These securities are subject to high degrees of credit, valuation and liquidity risks. Interest rate risk is greater for MBS and ABS than for many other types of debt securities because they are generally more sensitive to changes in interest rates. These types of securities are subject to prepayment –

borrowers paying off mortgages or loans sooner than expected – when interest rates fall. As a result, when interest rates rise, the effective maturities of mortgage-related and asset-backed securities tend to lengthen, and the value of the securities decreases more significantly. The result is lower returns to the Fund because the Fund must reinvest assets previously invested in these types of securities in securities with lower interest rates.

#### **Risk on Cross Class Liabilities for all shares**

Although there is an accounting attribution of assets and liabilities to the relevant Class, there is no legal segregation with respect to Classes of the same Sub-Fund.

Therefore, if the liabilities of a Class exceed its assets, creditors of said Class of the Sub-Fund may seek to have recourse to the assets attributable to the other Classes of the same Sub-Fund.

As there is an accounting attribution of assets and liabilities without any legal segregation amongst Classes, a transaction relating to a Class could affect the other Classes of the same Sub-Fund.

#### **Risk Associated with securities Financing Transactions**

Entering into repurchase agreements, reverse repurchase agreements and stocklending agreements create several risks for the Company and its investors. The relevant Sub-Funds is exposed to the risk that a counterparty to a securities financing transaction may default on its obligation to return assets equivalent to the ones provided to it by the relevant Sub-Funds. It is also subject to liquidity risk if it is unable to liquidate collateral provided to it to cover a counterparty default. Such transactions may also carry legal risk in that the use of standard contracts to effect securities financing transactions may expose a Sub-Fund to legal risks such as the contract may not accurately reflect the intention of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation. Such transactions may also involve operational risks in that the use of securities financing transactions and management of collateral are subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Risks may also arise with respect to any counterparty's right of re-use of any collateral as outlined below under "Risks Associated with Collateral Management". Investors should also refer to the risk factors below entitled "Risks Associated with Total Return Swaps", "Risks Associated with Repurchase / Reverse Repurchase Agreements" and "Stock Lending Risk".

#### **Risk Associated with a total return swaps**

If there is a default by the counterparty to a total return swap contract, a Sub-Fund will be limited to contractual remedies pursuant to the agreement related to the transaction. There is no assurance that swap contract counterparties will be able to meet their obligations pursuant to swap contracts or that, in the event of default, the SICAV on behalf of the Sub-Funds will succeed in pursuing contractual remedies. A Sub-Fund thus assumes the risk that it may be delayed in or prevented from exercising its rights with respect to the investments in its portfolio and obtaining payments owed to it pursuant to the relevant contract and therefore may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Furthermore, in addition to being subject to the credit risk of the counterparty to the total return swap, the Sub-Funds are also subjects to the credit risk of the issuer of the reference obligation. Costs incurred in relation to entering into a total return swap and differences in currency values may result in the value of the index/reference value of the underlying of the total return swap differing from the value of the total return swap.

#### **Risk Associated with Collateral Management**

Where a Sub-Fund enters into an OTC derivative contract or a securities financing transaction, it may be required to pass collateral to the relevant counterparty or broker. Collateral that a Sub-Fund posts to a counterparty or a broker that is not segregated with a third-party custodian may not have the benefit of customer-protected "segregation" of such assets. Therefore, in the event of the insolvency of a counterparty or a broker, the Sub-Funds may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return if the collateral becomes available to the creditors of the relevant counterparty or broker. In addition, notwithstanding that a Fund may only accept non-cash collateral which is highly liquid, the Fund is subject to the risk that it will be unable to liquidate collateral provided to it to cover a counterparty default. The Sub-Funds are also subject to the risk of loss resulting from inadequate

or failed internal processes, people and systems or from external events.

Where cash collateral received by a Sub-Fund is re-invested in accordance with the conditions imposed by the Central Bank, a Sub-Fund will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested.

Where collateral is posted to a counterparty or broker by way of a title transfer collateral arrangement or where the SICAV on behalf of a Sub-Fund grants a right of re-use under a security collateral arrangement which is subsequently exercised by the counterparty, the SICAV on behalf of a Fund will only have an unsecured contractual claim for the return of equivalent assets. In the event of the insolvency of a counterparty, the Sub-Funds shall rank as an unsecured creditor and may not receive equivalent assets or recover the full value of the assets. Investors should assume that the insolvency of any counterparty would result in a loss to the relevant Sub-Funds, which could be material. In addition, assets subject to a right of re-use by a counterparty may form part of a complex chain of transactions over which the SICAV or its delegates will not have any visibility or control.

Because the passing of collateral is effected through the use of standard contracts, a Fund may be exposed to legal risks such as the contract may not accurately reflect the intentions of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation.

## **Risk relating to Index**

### ***Failure to Reproduce the Performance of the Index***

Certain Sub-Funds intend to achieve a return tracking that of the relevant Index. To that purpose, the Sub-Fund may or may not own all the constituents of the relevant Index. The return of the Sub-Fund may also be affected by the fees and expenses incurred by the Sub-Fund, by eventual taxes applicable to dividends, by transaction costs, small illiquid components, dividend reinvestments as well as by the prices of derivatives, neither of which would be reflected in the return of the Index.

There is therefore no guarantee that the performance of the Sub-Fund will be identical to that of the relevant Index.

### ***Lack of discretion of the Management Company to adapt to market changes***

Unlike many conventional funds but like most

traditional Index funds, certain Sub-Funds are not "actively managed". Accordingly, the Management Company will not adjust the composition of a Sub-Fund's portfolio except (where relevant) in order to seek to closely correspond to the duration and total return of the relevant Index. The Sub-Funds do not try to "beat" the market they track and do not seek temporary defensive positions when markets decline or are judged to be overvalued. Accordingly, a fall in the relevant Index may result in a corresponding fall in the value of the Shares of the relevant Sub-Fund.

### ***Reliance on Index Sponsors and Index Providers***

The SICAV and the Investment Manager shall rely solely on the Index Provider and the Index Sponsor for any information relating to the Index used as Index for a Sub-Fund, including but not limited to any information relating to the calculation, composition, weighting and value of such Index.

### ***Change of Index***

The SICAV may decide to change the Index of a Sub-Fund in the conditions further detailed under the Section of this Prospectus entitled "Index".

### ***Licensing to use the relevant Index may be terminated***

Certain Sub-Fund has been granted a licence by each of the Index Sponsors to use the relevant Index in order to create a Sub-Fund based on the relevant Index and to use certain trademarks and any copyright in the relevant Index. A Sub-Fund may not be able to fulfil its objective and may be terminated if the licence agreement between the Sub-Fund and the relevant Index Sponsor is terminated. A Sub-Fund may also be terminated if the relevant Index ceases to be compiled or published and there is no replacement Index using the same or substantially similar formula for the method of calculation as used in calculating the relevant Index.

### ***Past Performance***

Past performance of the Index and the securities composing such Index is not a guarantee of their or the Sub-Fund's future performance.

### ***Risk of Capital loss for index tracking Funds***

The value of the Shares will depend, among other things, on the value of the Index and the securities composing this Index. There is no guarantee that the value of Index or the underlying securities will remain at the same level. Accordingly, the value of Shares may be subject to substantial fluctuations. Factors which may affect the ability of a Sub-Fund to track the performance of the relevant Index include, but are not limited to:

- investment, regulatory and/or tax constraints affecting the Sub-Fund but not the Index;
- the composition of a Sub-Fund's portfolio diverging, from time to time, from that of the Index, especially where the Sub-Fund may not invest in one or more components of the Index;
- additional costs/taxes to be borne by the Sub-Fund as a result of investments in assets other than the components of the Index;
- constraints linked to the timing of rebalancing of the Sub-Fund's portfolio;
- transaction costs and other fees and expenses to be borne by the Sub-Fund (including costs, fees and expenses to be borne in relation to the use of financial techniques and instruments); and/or
- constraints linked to income reinvestment.

### ***Corporate Actions***

Securities comprising an Index may be subject to change in the event of corporate actions in respect of those securities.

### ***Correlation***

The Shares may not correlate either perfectly or highly with movements in the value of Sub-Fund's assets and/or the Index.

### ***Path Dependency***

Shares may be linked to Indexes the performance of which is path dependent. This means that any decision or determination made can have a cumulative effect and may result in the value of such Sub-Fund over time being significantly different from the value it would have been if there had been no such cumulative effect.

### **Conflicts of Interest**

The Management Company, the Investment Manager, the Investment Advisor, the Custodian, the Administrator, the Index Provider or the Index Sponsor and any affiliate, director, officer or agent thereof (hereinafter referred to as the "Interested Parties") may enter into financial, banking or other transaction with one another or with the SICAV. Such transactions may give rise to potential conflicts of interest. Where such conflict of interest arises, the Management Company will at all times act in the best interest of the SICAV and its Shareholders and will procure that these conflicts are resolved fairly and that the SICAV and its Shareholders are not unfairly prejudiced.

In particular, the Investment Advisor of certain Sub-Funds act as Index Sponsor of certain Sub-Funds, in this case, the Investment Advisor, acting as advisor to the Investment Manager, will pursue actions and take steps that it deems appropriate to protect its interests without regard to the consequences for investors in Shares of any Share Class of the Sub-Fund. The Investment Advisor may be in possession at any time of information in relation to one or more of the Index constituents which may not be available to investors in Shares of any Share Class of the Sub-Fund linked to the Index. There is no obligation on the Investment Advisor to disclose to any investor in Shares of any Share Class of the Sub-Fund any such information.

## INDEX

### Index

The investment objective of certain Sub-Funds aims at tracking the performance of an Index or a strategy based on an Index, as further defined in each Sub-Fund's investment policy. For the purpose of replicating the Index, a Sub-Fund may use either synthetic or physical replication as indicated in each Sub-Fund's investment policy which is detailed in the relevant Sub-Fund's Appendix.

However, the SICAV may change the replication method in the following circumstances

- (i) the number of eligible swap counterparties has decreased significantly,
- (ii) the investment management of the Fund is negatively impacted by costs or operational constraints applicable to the current replication method, or
- (iii) the current replication method has demonstrated a small level of demand.

Shareholders shall be informed of any such change in the replication method by way of a notice which will be made available to the Shareholders on the website mentioned in the relevant Sub-Fund's Appendix.

### Change of Index

The SICAV may change the Index of a Sub-Fund for another Index, including, but not limited to, the following circumstances:

- the techniques or instruments necessary for the implementation of the relevant Sub-Fund's investment objective and policy cease to be available in a manner deemed acceptable by the SICAV;

- in the determination of the SICAV, the accuracy, quality and availability of data of a particular Index has deteriorated;

- the components of the Index would cause the Sub-Fund (if it were to follow the Index closely) to be in breach of the limits set out under "Investment Restrictions" and/or materially affect the taxation and fiscal treatment of the SICAV and any of its Shareholders.

- the particular Index ceases to exist or, in the determination of the SICAV, there is a material change in the formula for or the method of calculating a component of the Index or there is a material modification of the component of the Index;

- a new Index, more representative of the relevant Sub-Fund's investment objective, is now available;

- it comes to the attention of the SICAV or the Investment Manager that there is limited liquidity in one or more component securities of the Index or it becomes impractical to invest in the components of the Index;

- the Index Sponsors increases its license fees to a level which the SICAV considers excessive;

- the license agreement is terminated; or

- any successor Index Sponsor is not considered acceptable by the Board of Directors.

The above list is not exhaustive and should not be considered as limiting the ability of the SICAV to change the Index in any other circumstances deemed appropriate.

Any change to the Index shall be made in compliance with applicable laws and regulations. Shareholders of the relevant Sub-Fund will be notified of such change as required under applicable laws.

## FEES AND EXPENSES

The SICAV pays out of its assets its expenses which include fees payable to:

- The Management Company;
- The Depositary; and
- Independent auditors.

They also include administrative expenses, such as registration fees, index fees, insurance coverage, fees for reporting and the costs relating to the translation and printing of this Prospectus and reports to Shareholders.

The Management Company pays the Sub-Funds' Investment Manager(s) or investment advisor(s) (and their sub-delegates if any) and distributors, Administrator, out of the fees it receives from the SICAV.

Expenses specific to a Sub-Fund or Share Class will be borne by that Sub-Fund or Share Class. Charges that are not specifically attributable to a particular Sub-Fund or Share Class may be allocated among the relevant Sub-Funds or Share Classes based on their respective net assets or any other reasonable basis given the nature of the charges.

Charges relating to the creation of a new Sub-Fund or Share Class may be written off over a period not exceeding 5 years against the assets of that Sub-Fund or Share Class. Creation expenses will be amortised over a maximum period of 5 years on a non-linear basis. In the event that the Net Asset Value of the Sub-Fund will increase more rapidly than foreseen, the depreciation period will be shortened pro-rata.

The total amount of charges and expenses paid annually by each Sub-Fund, other than expenses relating to the creation or liquidation of any Sub-Fund or Share Class ("Total Expense Ratio") shall not exceed such percentage of each Sub-Fund's Net Asset Value as indicated in each Sub-Fund's Appendix. Unless otherwise provided for in any Sub-Fund's Appendix, if the total real expenses paid by each Sub-Fund exceed the Total Expense Ratio, the Management Company will support the difference and the corresponding income will be presented under "Other Income" in the SICAV's audited annual report. If the total real expenses paid by each Sub-Fund are lower than the Total Expense Ratio, the Management Company may keep the difference and the corresponding charge will be presented under "Other Charges" in the SICAV's audited annual report.

The Total Expense Ratio by Share Class, as indicated in each Sub-Fund's Appendix, does not include the indirect fees, the indirect performance fees or other costs of the Underlying Funds or Master funds.

The Total Expense Ratio by Share Class, as indicated in each Sub-Fund's Appendix, does not necessarily include all the expenses linked to the Sub-Fund's investments (such as brokerage fees, *taxe d'abonnement* owed to the Luxembourg tax authority, expenses linked to withholding tax reclaims) that are paid by such Sub-Fund and does not include the performance fees applicable for certain Sub-Funds as specified in the relevant Appendix.

# SUBSCRIPTION, TRANSFER, CONVERSION AND REDEMPTION OF SHARES

## Share Characteristics

### Available Classes

Each Sub-Fund issues Shares in several separate classes of Shares, as set out in each Sub-Fund's Appendix under "Practical Information" (each a "Share Class"). Such classes of Shares may differ with respect to the type of investors for which they are designed, their distribution policy, their currencies of quotation, their currency risk hedging, their minimum subscription/redemption and minimum holding amounts, their level of charges and may also differ depending on whether the classes of shares are traded/listed on at least one regulated market or multilateral trading facility with at least one market maker:

- Class B, C, D, F, F1, F2, F3, and F4 Shares are designed for all investors.

The Board of Directors may, in their discretion, waive or modify the minimum subscription/redemption requirements relating to this Share Class.

- Class I, IC and ID Shares are available only for Institutional investors as referred to under Luxembourg law.

- Class P and PB Shares are reserved for investors subscribing through distributors and intermediaries who (i) are subject to local regulations prohibiting distributors from receiving trailer fees (e.g. United Kingdom and the Netherlands) or (ii) provide independent advice (as defined under Mifid II European Regulation) or individual portfolio management (mandate). Class P and PB Shares are meant to comply with the restrictions on the payment of commissions set-out under the FCA Handbook in relation to Retail Distribution Review.

- Class R Shares are available to all investors. Class R Shares do not charge any sales charge but have a higher Total Expense Ratio (which includes any commissions payable to sub-distributors or intermediaries).

- Class Z RETAIL Shares are only available to retail investors investing through Rothschild & Co Bank AG, Rothschild & Co Wealth Management UK Limited and Rothschild & Co

Vermögensverwaltungs-GmbH and subject to prior approval of the Management Company.

- Class Z INSTIT Shares are only available to institutional investors investing through Rothschild & Co Bank AG, Rothschild & Co Wealth Management UK Limited and Rothschild & Co Vermögensverwaltungs-GmbH and subject to prior approval of the Management Company.

- Class XC Shares are available to all investors. Fractions of Class XC Shares issued will be rounded up to 3 decimal places.

- Class XIC Shares are only available to institutional investors. Fractions of Class XI Shares issued will be rounded up to 3 decimal places.

- The inclusion of the letter H in the name of a Class of Shares characterizes a hedged share class which is either (i) a share class denominated in a currency other than the reference currency of the Sub-Fund and that is hedged at least at 95% against the currency exchange risk related to the reference currency of such Sub-Fund, or (ii) a share class denominated in a currency other than the reference currency of the Share Class of the Master Fund in which the Sub-Fund invests and that is hedged at least at 95% against the currency exchange risk related to the reference currency of the Share Class of the Master Fund. Shareholders of class H Shares should be aware that although the intention is to be close to a full hedge, a perfect hedge is not possible and the portfolio can be over or under hedged during certain periods. This hedging will typically be undertaken by means of OTC derivatives such as forward contracts but may also include currency options or futures or OTC derivatives.

- Share classes may be quoted in different currencies;

- Share classes may present different charges and expenses levels and have different minimum subscription, redemption and holding amounts, as set out in each Sub-Fund's Appendix under "Practical Information".

Shares have no par value.

### **Shareholder Rights**

All Shareholders have the same rights, regardless of the class of Shares held. Each Share is entitled to one vote at any general meeting of the Shareholders. There are no preferential or pre-emptive rights attributable to the Shares.

### **Reference Currency**

The reference currency of the SICAV is the Euro. The reference currency of each Fund is as set out in each Fund's Appendix under "Practical Information".

### **Dividend Policy**

Class "D" Shares or shares identified by the inclusion of a D in their name are distributing Shares which make periodic distributions in the form of cash, as decided by the Shareholders upon proposal of the Board of Directors. In addition, the Board of Directors may declare interim dividends.

In any event, no distribution may be made if, as a result, the net asset value of the SICAV would fall below €1,250,000.

"PB" Shares are also distributing Shares. For D and PB Shares, an annual distribution of all income received, net of remunerations, commissions and charges, will be applied.

Dividends not claimed within five years of distribution will automatically revert to the relevant Sub-Fund. No interest shall be paid on dividends that have not been claimed.

### **Listing on Luxembourg Stock Exchange**

The SICAV may, in its sole discretion, decide to list some Shares and/or class of Share on Luxembourg stock exchange.

### **Form of Shares**

Shares will be issued in registered form.

Registered Shares will be issued without share certificates.

### **Fractional Shares**

As specifically defined in each Sub-Fund's Appendix, the Sub-Fund may issue whole and fractional registered Shares up to ten thousandth of a Share. Fractions of such registered Shares will be issued and rounded up to 4 decimal places unless otherwise provided

in the Sub-Fund's Appendix. Any rounding may result in a benefit for the relevant Shareholder or Sub-Fund. Fractional entitlements to Shares do not carry voting rights but do grant rights of participation on a pro-rated basis in net results and liquidation proceeds attributable to the relevant Sub-Fund.

### **Investor Qualifications**

No investor may be a U.S. person, as that term is defined under Regulation S under the U.S. Securities Act of 1933, as amended, and similar categories (as described in the US "HIRE" Act of 18 March 2010 and in the FATCA framework). In addition, the Management Company may impose additional qualifications on some or all potential investors intending to purchase Shares.

## **Subscription of Shares**

### **Procedure of Subscription**

Subscription Application: any investor intending to subscribe initially must complete an application form or other documentation satisfactory to the SICAV and return it to the Registrar and Transfer Agent. Application forms are available from:

CACEIS Bank, Luxembourg Branch  
5, allée Scheffer  
L - 2520 Luxembourg  
Grand Duchy of Luxembourg

All completed applications must be sent to the Registrar and Transfer Agent:

CACEIS Bank, Luxembourg Branch  
5, allée Scheffer  
L - 2520 Luxembourg  
Grand Duchy of Luxembourg

The Registrar and Transfer Agent may request an investor to provide additional information to substantiate any representation made by the investor in its application. Any application that has not been completed to the satisfaction of the Registrar and Transfer Agent will be rejected. In addition, the Management Company, in its sole discretion, may at any time suspend or close the sale of any class of Shares or all Shares.

Investors should note that by signing the application form, the investor authorizes the Registrar and Transfer Agent to collect, use, process, share, store and transmit data, such as personal data, identification documents and



details as to the investor's investment in a Sub-Fund, to the SICAV, the Management Company and its affiliates as well as to CACEIS Bank, Luxembourg Branch.

These data will be collected, used, processed, shared, stored and transmitted for the following purposes:

- (i) to facilitate the investor's subscriptions, redemptions and conversions in the SICAV or the other funds of the Management Company;
- (ii) to process, manage and administer the investor's holdings in a Sub-Fund and any related accounts on an on-going basis;
- (iii) to provide investors with reporting, communications and other shareholder services related to the investor's investment in a Sub-Fund;
- (iv) to comply with legal or regulatory requirements applicable to the SICAV, the SICAV Service Providers or the investor; and
- (v) where applicable, for the purposes of notification to the relevant revenue authorities in accordance with the EU Directive 2003/48/EC and applicable local regulations on taxation of savings income in the form of interest payments.

Shareholders have the right at any time to access to their personal data that the Administrator holds in relation to them and have the right to amend and rectify any inaccuracies in their personal data by making a request in writing to the SICAV at the Administrator's address.

The Registrar and Transfer Agent will send to each investor a written confirmation of each subscription of Shares.

### ***Restrictions on subscriptions***

The SICAV and the Management Company reserve the right to reject or postpone any application to subscribe to Shares for any reason, including if the SICAV or the Management Company considers that the applying investor is engaging in excessive trading or market-timing.

The SICAV or the Management Company may also impose restrictions on the subscription of Shares of any Sub-Fund by any person or entity in connection with an unauthorized structured, guaranteed or similar instrument, note or scheme if the SICAV or the Management

Company believes that such subscription may have adverse consequences for the Sub-Fund's Shareholders or the fulfilment of the Sub-Fund's investment objectives and policies.

### ***Minimum Subscription Requirement and Minimum Holding***

No investor may submit subscription orders for less than the Minimum Subscription Requirement indicated in the Appendix for each Sub-Fund as applicable as a minimum number of Shares or a minimum amount.

No investor may hold, less than the Minimum Holding indicated in the Appendix for each Sub-Fund if applicable as a minimum number of Shares or a minimum amount.

The SICAV may, provided that equal treatment of Shareholders be complied with, grant Shareholders an exception from the conditions of Minimum Subscription and accept a subscription of an amount which is below the Minimum Subscription thresholds. Such an exception may only be made in favour of investors who understand and are able to bear the risk linked to an investment in the relevant Sub-Fund, on exceptional basis and in specific cases.

### ***Sales Charges***

The subscription of Shares may be subject to a maximum sales charge of a percentage of the net asset value of the Shares being purchased as indicated in the Appendix for each Sub-Fund under "Charges for this Sub-Fund". Any sales charge will be levied to the benefit of the Management Company who may in turn partially or totally repay the sales charge to distributors and other agents.

Before subscribing for Shares, please ask your financial intermediary whether a sales charge will apply to your subscription and the actual amount of that sales charge.

In case the relevant Sub-Fund is a master, the relevant feeder will not pay any sales charge.

### ***Additional Levies***

The SICAV and the Management Company reserve the right to levy an additional fee of up to 2% of the net asset value of the Shares subscribed if the SICAV or the Management Company considers that the applying investor is engaging in excessive trading or market-timing practices. Any such fee shall be levied to the

benefit of the Sub-Fund concerned.

### ***Payment of the price***

When the price is paid in cash or in kind, it corresponds to the Share's Net Asset Value with any sales charges.

An investor should pay the Subscription Price in the currency of the Share class purchased. If an investor pays the Subscription Price in another currency, the SICAV or its agent will make reasonable efforts to convert the payment into the currency of the Share class purchased. All costs associated with the conversion of that payment will be borne by the investor, whether such conversion is actually made. Neither the SICAV nor any of its agents shall be liable to an investor if the SICAV or agent is unable to convert any payment into the currency of the Share class purchased by the investor.

### ***Subscriptions in Kind***

Subscriptions can be paid in cash or the SICAV may accept payment for subscriptions in the form of securities and other instruments, provided that such securities or instruments comply with the investment objectives and policies of the relevant Sub-Fund and in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the SICAV's Auditor which shall be available for inspection. Any costs incurred in connection with a contribution in kind of securities or other instruments shall be borne by the relevant Shareholders.

When the issue price is paid in cash, unless specified otherwise in this Prospectus, it must be paid to the Paying Agent in the currency in which the relevant Shares are denominated within 3 Bank Business Days from the relevant subscription date. When the issue price is paid in Kind, unless specified otherwise in this Prospectus, the instruments and securities must be transferred to the Sub-Fund no later than 3 Bank Business Days from the relevant subscription date.

No Shares will be issued during any period in which calculation of the Net Asset Value is suspended as further detailed under the Section entitled "Temporary Suspension of Calculation of the Net Asset Value".

## **Redemption of Shares**

A Shareholder may request the SICAV to redeem some or all of the Shares it holds in the SICAV. If, as a result of any redemption request, the number of Shares held by any Shareholder in a class would fall below the minimum holding amount for that class of Shares, the SICAV may treat such request as a request to redeem the full balance of such Shareholder's holding of Shares in the relevant class. Shares may be redeemed on any day that the relevant Sub-Fund calculates its net asset value.

If the aggregate value of the redemption requests received by the Registrar and Transfer Agent on any day corresponds to more than 10% of the net assets of a Fund, the SICAV may defer part or all of such redemption requests and may also defer the payment of redemption proceeds for such period until sufficient liquidity is available. Any deferred redemption or deferred payment of redemption proceeds shall be treated as a priority to any further redemption request received on any following redemption date.

### ***Redemption Notice***

Any Shareholder intending to redeem Shares must notify the Registrar and Transfer Agent:

CACEIS Bank, Luxembourg Branch  
5, allée Scheffer  
L - 2520 Luxembourg  
Grand Duchy of Luxembourg

That notice must include the following:

- The Shareholder's name, as it appears on the Shareholder's account, his or her address and account number;
- The number of Shares of each class or amount of each Share class to be redeemed; and
- Bank details of beneficiary of redemption proceeds.

The Registrar and Transfer Agent may request the Shareholder to provide additional information to substantiate any representation made by the investor in the notice. The Registrar and Transfer Agent will reject any redemption notice that has not been completed to its satisfaction. Payments will only be made to the Shareholder of record; no third-party payments will be made.

Any Shareholder redeeming Shares agrees to

hold the SICAV and each of its agents harmless with respect to any loss suffered by one or more of them in connection with that redemption.

### **Redemption Charge**

The redemption of Shares may be subject to a redemption charge of a percentage of the net asset value of the Shares being redeemed as indicated in each Sub-Fund's description under "Charges for this Sub-Fund".

### **Additional Levies**

The SICAV and the Management Company reserve the right to levy an additional fee of up to 2% of the net asset value of the Shares redeemed if the SICAV or the Management Company considers that the redeeming investor is engaging in excessive trading or market-timing practices. Any such fee shall be levied to the benefit of the Sub-Fund concerned.

In the event that a redemption request causes a Sub-Fund to incur exceptional costs, the SICAV may levy an additional fee reflecting such exceptional costs to the benefit of the Sub-Fund concerned.

Neither the SICAV nor any of its agents shall pay any interest on redemption proceeds or make any adjustment on account of any delay in making payment to the Shareholder.

In case the relevant sub-fund is a master, the relevant feeder will not pay any redemption charge, except the replication charges above.

### **Redemption Date and Redemption Price**

The redemption date of any redemption notice shall be as indicated in the relevant Sub-Fund's Appendix under "Practical Information". The Redemption Price of any redemption notice will be the net asset value of such Shares on the redemption date less any applicable redemption charge.

Investors should note that they will not know the redemption price of their Shares until their redemption request has been fulfilled.

Clearing Platforms: Investors should note that certain financial advisors use clearing platforms to process their trades. Certain clearing platforms may process trades in batches once or twice a day after the Sub-Fund's cut-off time (which is indicated in the relevant Sub-Fund's Appendix under "Practical Information"). Please note that applications received after the Sub-Fund's cut-off time will be processed on the

following full Bank Business Day. Please contact your financial advisor if you have any questions.

### **Payment**

Unless otherwise provided for in this Prospectus, the SICAV will pay the Shareholder redemption proceeds within three (3) full Bank Business Days from the relevant redemption date.

The redemption proceeds will be paid by electronic bank transfer in accordance with the instructions in the redemption notice as accepted. All costs associated with that payment will be borne by the SICAV. If an investor cannot by law accept payment by electronic bank transfer, the investor must call CACEIS Bank, Luxembourg Branch at + 352 4767 5539, to make other arrangements. The Transfer Agent will not pay redemption proceeds to a third party.

Redemption proceeds will be paid in the currency of the Share class redeemed. If an investor requests payment in another currency, the SICAV or its agent will make reasonable efforts to convert the payment into the currency requested. All costs associated with the conversion of that payment will be borne by the Shareholder, whether such conversion actually is made. Neither the SICAV nor any agent of the SICAV shall be liable to an investor if the SICAV or agent is unable to convert and pay into a currency other than the currency of the Share class redeemed by the Shareholder.

Neither the SICAV nor any of its agents shall pay any interest on redemption proceeds or make any adjustment on account of any delay in making payment to the Shareholder. Any redemption proceeds that have not been claimed within 5 years following the redemption date shall be forfeited and shall accrue for the benefit of the relevant class of Shares.

### **Forced Redemption**

The Management Company may immediately redeem some or all of a Shareholder's Shares if the Management Company believes that:

- The Shareholder has made any misrepresentation as to his or her qualifications to be a Shareholder;
- The Shareholder's continued presence as a Shareholder of the SICAV would cause irreparable harm to the SICAV or the other Shareholders of the SICAV;

- The Shareholder's continued presence as a Shareholder would cause the SICAV or a Sub-Fund to be or become subject to any reporting obligation, tax withholding obligation, or withholding tax that the SICAV or the Sub-Fund would not otherwise be subject to but for the Shareholder's (or similarly situated Shareholders') presence as a Shareholder;
- The Shareholder, by trading Shares frequently, is causing the relevant Sub-Fund to incur higher portfolio turnover and thus, causing adverse effects on the Sub-Fund's performance, higher transactions costs and/or greater tax liabilities;
- The Shareholder's continued presence as a Shareholder would result in a breach of any law or regulation, whether Luxembourg or foreign, by the SICAV;
- The continued presence of a person or entity as a Shareholder in any Sub-Fund in connection with an unauthorized structured, guaranteed or similar instrument, note or scheme, as a Shareholder would have adverse consequences for the other Shareholders of the Sub-Fund or for the fulfilment of the Sub-Fund's investment objectives and policies; or
- The Shareholder is or has engaged in marketing and/or sales activities using the name of, or references to the SICAV, a Sub-Fund, the Management Company and/or the Investment Manager or any of its strategies or portfolio managers without the prior written consent of the Management Company.

#### ***Withholding of Proceeds in Certain Cases of Forced Redemption***

In the event that a Shareholder's presence in the SICAV or a Sub-Fund causes the SICAV to initiate a Forced Redemption, as described above, and the Shareholder's presence in the SICAV has caused the SICAV or the relevant Sub-Fund to suffer any withholding tax which would not have been incurred but for the Shareholder's ownership of Shares, the Management Company shall have the right to redeem that Shareholder's Shares and withhold as much of the redemption proceeds as is required to satisfy the costs that arose solely due to the Shareholder's presence in the SICAV. To the extent that there is more than one Shareholder similarly situated, proceeds will be withheld based on the relative value of redeemed shares.

#### ***Redemptions in Kind***

Any Shareholder redeeming Shares representing at least 20% of any Share class may request the redemption of those Shares in kind, provided that the SICAV determines that the redemption would not be detrimental to the remaining Shareholders and the redemption is effected in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the SICAV's Auditor which shall be available for inspection. Any costs incurred in connection with redemption in kind shall be borne by the relevant Shareholders.

#### **Conversion of Shares**

Any Shareholder may request the conversion of Shares from one Sub-Fund or class of Shares to another Sub-Fund or class of Shares. A Shareholder requesting such conversion must comply with the conditions of redemption and subscription relating to investor qualifications and minimum investment and holding thresholds, applicable to each of the Sub-Funds or classes of Shares concerned. Acceptance of any application for conversion is contingent upon the satisfaction of any conditions (including any minimum subscription and prior notice requirements) applicable to the class into which the conversion is to be effected. If as a result of a conversion, the value of a Shareholder's holding in the new class would be less than any minimum holding amount specified in the relevant Appendix, the Directors may decide not to accept the conversion request. If as a result of a conversion, the value of a Shareholder's holding in the original class would become less than the minimum subscription amount specified in the relevant Appendix, the Directors may decide that such Shareholder shall be deemed to have requested the conversion of all of his Shares.

#### **Prior Notice Requirements**

Unless specifically otherwise provided, the prior notice requirements for redemptions as specified for a given Sub-Fund in the relevant Appendix shall be applicable to conversion requests.

If Shares are converted for Shares of another Sub-Fund or class of Shares having the same or a lower sales charge, no additional charge shall be levied. If Shares are converted for Shares of another Sub-Fund or class of Shares having a higher sales charge, the conversion may be subject to a conversion fee equal to the

difference in percentage of the sales charges of the relevant Shares. The actual amount of the conversion fee is determined by the financial institution through which the conversion of Shares is made. Such financial institution shall retain such conversion fee in remuneration for its intermediary activity.

In case the relevant Sub-Fund is a Master, the relevant Feeder will not pay any conversion fee.

The conversion of Shares between Sub-Funds or classes of Shares having different valuation frequencies may only be effected on a common subscription date. If Shares are converted for Shares of another Sub-Fund or class of Shares

having a notice period for subscriptions different from the notice period required for redemptions for the original Shares, the longest notice period will be taken into account for the conversion.

In the event that a Shareholder is no longer entitled to be invested in the Shares he holds pursuant to the investor qualifications defined in this Prospectus, the Management Company may decide to convert, without any prior notice or charge, the Shares held by the Shareholder into such other Shares which total expense ratio is the lowest among the Share classes for which the Shareholder complies with the investor qualification them in connection with that redemption.

## DETERMINATION OF THE NET ASSET VALUE

### Time of Calculation

The SICAV calculates the net asset value of each Share class for each subscription/redemption date on the Business Day following the relevant subscription/redemption date.

If since the time of determination of the net asset value, there has been a material change in the quotations in the markets on which a substantial portion of the investments of any Sub-Fund are dealt in or quoted, the SICAV may, in order to safeguard the interests of the Shareholders and the Sub-Fund, cancel the first valuation and carry out a second valuation for all applications made on the relevant subscription/redemption date.

### Method of Calculation

The net asset value of each Share of any one class on any day that any Sub-Fund calculates its net asset value is determined by dividing the value of the portion of assets attributable to that class less the portion of liabilities attributable to that class, by the total number of Shares of that class outstanding on such day.

The net asset value of each Share shall be determined in the currency of quotation of the relevant class of Shares.

For any class in which the only difference from the class denominated in the Sub-Fund's reference currency is the currency of quotation, the net asset value per Share of that class shall be the net asset value per Share of the class denominated in the reference currency multiplied by the exchange rate between the reference currency and the currency of quotation at the latest rates quoted by any major banks. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the SICAV.

The net asset value of each class Share may be rounded to the nearest 1/10000 of the currency of the relevant class in accordance with the SICAV's guidelines.

The value of each Sub-Fund's assets shall be determined as follows:

- *Securities and money market instruments traded on exchanges and Regulated Markets* - last closing price (unless the SICAV believes that an occurrence after the publication of the

last market price and before any Sub-Fund next calculates its net asset value will materially affect the security's value. In that case, the security may be fair valued at the time the Administrative Agent determines its net asset value by or pursuant to procedures approved by the SICAV.

- *Securities and money market instruments not traded on a Regulated Market (other than short-term money market instruments)* - based upon valuations provided by pricing vendors, which valuations are determined based on normal, institutional-size trading of such securities using market information, transactions for comparable securities and various relationships between securities which are generally recognized by institutional traders.

- *Short-term money market instruments (remaining maturity of less than 60 calendar days or less)* - amortized cost (which approximates market value under normal conditions).

- *Futures, options and forwards* - unrealized gain or loss on the contract using current settlement price. When a settlement price is not used, future and forward contracts will be valued at their fair value as determined pursuant to procedures approved by the SICAV, as used on a consistent basis.

- *Units or shares of open-ended funds* - last published net asset value.

- *Cash on hand or deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received* - full amount, unless in any case such amount is unlikely to be paid or received in full, in which case the value thereof is arrived at after the SICAV or its agent makes such discount as it may consider appropriate in such case to reflect the true value thereof.

- *All other assets* - fair market value as determined pursuant to procedures approved by the SICAV.

The SICAV also may value securities at fair value or estimate their value pursuant to procedures approved by the SICAV in other circumstances such as when extraordinary events occur after the publication of the last market price but prior to the time the Sub-Funds' net asset value is calculated.

The effect of fair value pricing as described above for securities traded on exchanges and all other securities and instruments is that securities and other instruments may not be priced on the basis of quotations from the primary market in which they are traded. Instead, they may be priced by another method that the SICAV believes is more likely to result in a price that reflects fair value. When fair valuing its securities, the SICAV may, among other things, use modelling tools or other processes that take into account factors such as securities market activity and/or significant events that occur after the publication of the last market price and before the time a Sub-Fund's net asset value is calculated.

Trading in most of the portfolio securities of the Sub-Funds takes place in various markets outside Luxembourg on days and at times other than when banks in Luxembourg are open for regular business. Therefore, the calculation of the Sub-Funds' net asset values does not take place at the same time as the prices of many of their portfolio securities are determined, and the value of the Sub-Funds' portfolio may change on days when the SICAV is not open for business and its Shares may not be purchased or redeemed.

The value of any asset or liability not expressed in a Sub-Fund's reference currency will be converted into such currency at the latest rates quoted by any major banks. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the Administrative Agent.

### **Temporary Suspension of Calculation of the Net Asset Value**

The SICAV may temporarily suspend the determination of the net asset value per Share within any Sub-Fund, and accordingly the issue and redemption of Shares of any class within any Sub-Fund:

- During any period when any of the principal stock exchanges or other markets on which any substantial portion of the investments of the SICAV attributable to such class of Shares from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended, provided that such restriction or suspension affects the valuation of the investments of the SICAV attributable to a class quoted thereon;

- When for any reason the prices of any assets in which the Sub-Fund invests directly or indirectly and, for the avoidance of doubt, where applicable techniques used to manage exposure to certain assets, cannot promptly or accurately be ascertained;

- During the existence of any state of affairs which in the opinion of the Board of Directors constitutes an emergency as a result of which disposals or valuation of assets owned by the SICAV attributable to such class of Shares would be impracticable;

- During any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of such class of Shares or the current price or value on any stock exchange or other market in respect of the assets attributable to such class of Shares;

- When for any other reason the prices of any investments owned by the SICAV attributable to any class of Shares cannot promptly or accurately be ascertained;

- During any period when the SICAV is unable to repatriate funds for the purpose of making payments on the redemption of the Shares of such class or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Shares cannot in the opinion of the Board of Directors be effected at normal rates of exchange;

- From the time of publication of a notice convening an extraordinary general meeting of Shareholders for the purpose of winding-up the SICAV or one or more Sub-Funds, or

- Following the suspension of the calculation of the net asset value, issue, redemptions or conversions of shares or units of the Master in which the SICAV or a Sub-Fund invests as its Feeder.

### **Performance**

The Sub-Funds present their performance as average annual total return, reflecting all charges and expenses accrued by the relevant Fund and including the reinvestment of any distribution paid by the Sub-Fund. Performance does not include any adjustment for sales charges and does not consider any tax consequence to Shareholders as a result of investing in Shares.

The Sub-Funds, when presenting their average annual total return, also may present their performance using other means of calculation, and may compare their performance to various benchmarks and indexes.

For periods when certain share classes were unsubscribed or not yet created (the "Inactive Share Classes"), performance may be calculated by using the actual performance of the Sub-Fund's active share class, which has been determined by the Management Company

as having the closest characteristics to such Inactive Share Class, and by adjusting it based on the difference in ongoing charges and, where applicable, converting the net asset value of the active share class into the currency of quotation of the Inactive Share Class. The quoted performance for such Inactive Share Class is the result of an indicative calculation.

Past performance is not necessarily indicative of future results.



# TAXATION

The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of shares and is not intended as tax advice to any particular investor or potential investor. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

## Taxation of the SICAV

The SICAV is not subject to taxation in Luxembourg on its income, profits or gains. No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the shares of the SICAV.

The SICAV is however subject to a subscription tax (taxe d'abonnement) levied at the rate of 0.05% per annum based on its net asset value at the end of the relevant quarter, calculated and paid quarterly. A reduced subscription tax of 0.01% per annum is applicable to individual compartments of UCIs with multiple compartments referred to in the Law, as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

Subscription tax exemption applies to (i) investments in a Luxembourg UCI subject itself to the subscription tax, (ii) UCI, compartments thereof or dedicated classes reserved to retirement pension schemes, (iii) money market UCIs, and, (iv) UCITS and UCIs subject to the part II of the Law qualifying as exchange traded funds.

## Withholding Taxes

Interest and dividend income received by the SICAV may be subject to non-recoverable withholding tax in the source countries. The

SICAV may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin.

Distributions made by the SICAV are not subject to withholding tax in Luxembourg. The SICAV is not subject to net wealth tax.

## Taxation of Shareholders

### Luxembourg resident individuals

Capital gains realised on the sale of the Shares by Luxembourg resident individuals Investors who hold the Shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

- (i) the Shares are sold before or within 6 months from their subscription or purchase; or
- (ii) if the Shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller, alone or with his/her spouse and underage children, has participated either directly or indirectly at any time during the five years preceding the date of the disposal in the ownership of more than 10% of the capital or assets of the company.

Distributions made by the SICAV will be subject to income tax. Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*) giving an effective maximum marginal tax rate of 43.6%. An additional temporary income tax of 0,5% (*impôt d'équilibre budgétaire temporaire*) will be due by Luxembourg resident individuals subject to Luxembourg State social security scheme in relation to their professional and capital income.

### Luxembourg resident corporate

Luxembourg resident corporate Investors will be subject to corporate taxation at the rate of 29.22% (in 2015 for entities having their registered office in Luxembourg-City) on the distribution received from the SICAV and the gains received upon disposal of the Shares.

Luxembourg resident corporate Investors who benefit from a special tax regime, such as, for

example, (i) an undertaking for collective investment subject to the Law, (ii) specialized investment funds subject to the law of February 13, 2007 on specialised investment funds, or (ii) family wealth management companies subject to the law of May 11, 2007 on family wealth management companies, are exempt from income tax in Luxembourg, but instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realized thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate Investors except if the holder of the Shares is (i) a UCI subject to the Law, (ii) a vehicle governed by the law of March 22, 2004 on securitization, (iii) a company governed by the law of June 15, 2004 relating to the investment company in risk capital, (iv) a specialized investment fund subject to the law of February 13, 2007 on specialised investment funds or (v) a family wealth management company subject to the law of May 11, 2007 on family wealth management companies. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%.

### **Non Luxembourg residents**

Non resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the Shares are attributable, are not subject to Luxembourg taxation on capital gains realized upon disposal of the Shares nor on the distribution received from the SICAV and the Shares will not be subject to net wealth tax.

### **European Savings Directive**

The Council of the European Union (the "EU") has adopted on 3 June 2003 a Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "Savings Directive"). Under the Savings Directive, EU Member States (the "Member States") are required to provide the tax authorities of another Member State with information on payments of interest or other similar income (within the meaning of the Savings Directive) paid by a paying agent (within the meaning of the Savings Directive) to an individual beneficial owner who is a resident, or to certain residual entities (within the meaning of the Savings Directive) established, in that other Member State.

Under the Luxembourg law dated 21 June 2005 (the "2005 Law"), implementing the Savings

Directive, as amended by the Law of 25 November 2014, and several agreements concluded between Luxembourg and certain dependent or associated territories of the EU ("Territories"), a Luxembourg-based paying agent is required as from 1 January 2015 to report to the Luxembourg tax authorities the payment of interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or certain residual entities resident or established in another Member State or in the Territories, and certain personal details on the beneficial owner. Such details will be provided by the Luxembourg tax authorities to the competent foreign tax authorities of the state of residence of the beneficial owner (within the meaning of the Savings Directive).

Under current legislation, distributions by the SICAV will fall within the scope of the Savings Directive if the SICAV invests 15 % or more of its assets in debt claims (within the meaning of the Savings Directive).

Payment of proceeds upon the sale, refund or redemption of Shares in the SICAV will fall within the scope of the 2005 Law if the SICAV invests directly or indirectly 25 % or more of its assets in debt claims within the meaning of the 2005 Law.

However, on 24 March 2014 the Council of the European Union adopted Council Directive 2014/48/EU amending the Savings Directive (the "Amending Directive"). Member States have to adopt and publish by 1 January 2016, the laws, regulations and administrative provisions necessary to comply with the Amending Directive. The Amending Directive enlarges inter alia the scope of the Savings Directive by extending the definition of interest payments and will cover income distributed by or income realised upon the sale, refund or redemption of shares or units in undertakings for collective investment or other collective investment funds or schemes, that either are registered as such in accordance with the law of any of the Member States or of the countries of the European Economic Area which do not belong to the EU, or have fund rules or instruments of incorporation governed by the law relating to collective investment funds or schemes of one of these States or countries, irrespective of the legal form of such undertakings, funds or schemes and irrespective of any restriction to a limited group of investors, in case such undertakings, funds or schemes invest, directly or indirectly, a certain percentage of their assets in debt claims

as defined under the amended Savings Directive.

Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the Amending Directive.

### **Common Reporting Standard**

The Organisation for Economic Co-operation and Development ("OECD") has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted in order to implement the CRS among the Member States. For Austria, the Euro-CRS Directive applies the first time by 30 September 2018 for the calendar year 2017, i.e. the Savings Directive will apply one year longer.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law"). The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Fund may require its investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status and report information regarding a shareholder and his/her/its account to the Luxembourg tax authorities (Administration des Contributions Directes), if such account is deemed a CRS reportable account under the CRS Law. The Company shall communicate any information to the investor according to which (i) the Fund is responsible for the treatment of the personal data provided for in the CRS Law; (ii) the personal data will only be used for the purposes of the CRS Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (Administration des Contributions

Directes); (iv) responding to CRS-related questions is mandatory and accordingly the potential consequences in case of no response; and (v) the investor has a right of access to and rectification of the data communicated to the Luxembourg tax authorities (Administration des Contributions Directes).

Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

The Fund reserves the right to refuse any application for Shares if the information provided or not provided does not satisfy the requirements under the CRS Law.

Investors in the Fund may therefore be reported to the Luxembourg and other relevant tax authorities in accordance with applicable rules and regulations.

Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.

### **FATCA**

The Foreign Account Tax Compliance Act ("FATCA"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("IRS") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("IGA") with the United States of America and a memorandum of understanding in respect thereof. The SICAV would hence have to comply with such Luxembourg IGA, once the IGA has been

implemented into Luxembourg law in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the IGA, the SICAV may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("reportable accounts"). Any such information on reportable accounts provided to the SICAV will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The SICAV intends to comply with the provisions of the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the SICAV. The SICAV will continually assess the extent of the requirements that FATCA and notably the Luxembourg IGA places upon it. As from the date of signature of the Luxembourg IGA and

until the Grand Duchy of Luxembourg has implemented the national procedure necessary for the entry into force of the IGA, the United States Department of the Treasury will treat the SICAV as complying with and not subject to the FATCA Withholding.

To ensure the SICAV's compliance with FATCA and the Luxembourg IGA in accordance with the foregoing, the SICAV may:

a. request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such shareholder's FATCA status;

b. report information concerning a shareholder and his account holding in the SICAV to the Luxembourg tax authorities if such account is deemed a US reportable account under the Luxembourg IGA; and

c. deduct applicable US withholding taxes from certain payments made to a shareholder by or on behalf of the SICAV in accordance with FATCA and the Luxembourg IGA.

## FUND SERVICE PROVIDERS

### Management Company

The SICAV has appointed Rothschild & Co Investment Managers (the "Management Company") as its management company and has delegated to the Management Company all powers related to the investment management, administration and distribution of the SICAV. However, the SICAV's Board of Directors oversees and retains ultimate responsibility for the SICAV and its activities.

The Management Company may delegate some of its responsibilities to affiliated and non-affiliated parties; however, the Management Company oversees and retains full responsibility for the activities delegated to service providers.

Rothschild & Co Investment Managers is a *Société Anonyme* incorporated under Luxembourg law on September 7, 2007 for an unlimited period of time and licensed as a Management Company under Chapter 15 of the Law and under Chapter 2 of the law of 12 July 2013.

The capital of the Management Company currently amounts to €118,921,364.

The Management Company is a subsidiary of K Développement SA, which is ultimately controlled by Rothschild & Co, Paris, France.

The Management Company has established remuneration policies for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company or the Fund, that:

- are consistent with and promote a sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles of the SICAV or with its Articles of Incorporation;
- are in line with the business strategy, objectives values and interests of the Management Company and which do not interfere with the obligation of the Management Company to act in the best interests of the SICAV and of its investors;

- include an assessment process based on the longer-term performance of the SICAV; and
- appropriately balance fixed and variable components of total remuneration.

Other characteristics of the remuneration policy of the Management Company:

- Employees of the Rothschild & Co group companies are subject to an annual performance review process that covers the following areas:
  - Determination of objectives for the coming year;
  - Deliverables' appraisal in comparison with the objectives previously discussed and validated at the beginning of the year;
  - Skills' appraisal / the Management Company's values;
  - Summary of strengths and weaknesses;
  - Evolution/perspectives (training, mobility and management).
- Where remuneration is performance-related, its total amount is based on a combination of the assessment of a performance of the individual and of the business unit concerned and of the overall results of the relevant group company.
- The Remuneration Policy aims at aligning the personal objectives of staff members with the long-term interests of the financial undertaking concerned. The assessment of the performance-based components of remuneration is based on longer-term performance and takes into account the outstanding risks associated with the performance.
- The assessment of performance is set in a multi-year framework, for example three to five years, in order to ensure that the assessment process is based on longer-term performance and that the actual payment of performance-related components of remuneration is spread over the business cycle of the undertaking.
- In order for the Remuneration Policy to be in line with the objectives, the business strategy, the values and the long-term interests of the Management Company, other factors, apart from financial performance, are considered, such as compliance with internal rules and

procedures, systems and controls of the financial institution, as well as compliance with the standards governing the relationship with clients and investors.

- A remuneration committee at the level of the group meet regularly to determine the principles of the remuneration policy and verify their implementation. This committee regularly uses external consultants through the Head of Human Resources of the Rothschild & Co group. Its role is to remind the rules in force in the group, to determine the salary policy and the overall amount of variable part of the remuneration for all employees.

The up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, are available at <https://www.lu.rothschildandco.com/regulatory-information>. A paper copy is available free of charge upon request at the Management Company's registered office.

## **Investment Managers**

The Management Company has appointed the Investment managers listed below to provide investment management services in respect of the Sub-Funds as further detailed in the Appendix relating to each Sub-Fund:

- Alma Capital Investment Management
- Amundi Asset Management
- AXA Investment Managers Paris
- Massena Partners, Succursale de Paris
- Oddo BHF Asset Management
- Rothschild & Co Asset Management
- Rothschild & Co Bank AG
- Rothschild & Co Wealth Management UK Limited
- Rothschild Martin Maurel
- SG 29 Haussmann

Alma Capital Investment Management, headquartered in Luxembourg, is authorized and regulated by the Commission de Surveillance du Secteur Financier.

Amundi Asset Management, headquartered in Paris, is a portfolio management company approved by the French Financial Markets Authority (AMF).

AXA Investment Managers Paris, headquartered in Courbevoie, is a portfolio

management company approved by the French Financial Markets Authority (AMF).

Massena Partners, Succursale de Paris, is authorized and regulated by the Commission de Surveillance du Secteur Financier.

Oddo BHF Asset Management, headquartered in Paris, is a portfolio management company approved by the French Financial Markets Authority (AMF).

Rothschild & Co Bank AG, headquartered in Zurich, is authorized by the Swiss Financial Market Supervisory Authority (FINMA).

Rothschild & Co Asset Management, headquartered in Paris, is a portfolio management company approved by the French Financial Markets Authority (AMF).

Rothschild & Co Wealth Management UK Limited, headquartered in London, is authorized and regulated by the Financial Conduct Authority.

Rothschild Martin Maurel, headquartered in Paris, is a French credit institution approved by the French Prudential Control Authority (ACPR).

SG 29 Haussmann, headquartered in Paris, is a portfolio management company approved by the French Financial Markets Authority (AMF).

The Investment Managers will be responsible for the day-to-day management of the relevant Sub-Fund, and investment of such Sub-Fund's assets, subject to the control of the Management Company and the ultimate responsibility of the Board of Directors.

## **Delegate Investment Manager**

For the Sub-Fund RMM Lux BDL European Equity Alpha, Alma Capital Investment Management will sub-delegate part of its investment management functions to BDL Capital Management.

BDL Capital Management, headquartered in Paris, is a portfolio management company approved by the French Financial Markets Authority (AMF).

For the Sub-Fund Colibri Invest, Oddo BHF Asset Management will sub-delegate part of its investment management functions to Oddo BHF SCA.

Oddo BHF SCA, headquartered in Paris, is a French credit institution approved by the

French Prudential Control Authority (ACPR).

### **Investment Advisors**

For the Sub-Fund R-co Lux Montjoly Investissements, Massena Partners, Succursale de Paris, will provide investment advisory services to Rothschild & Co Investment Managers. Massena Partners, Succursale de Paris is a branch of Massena Partners which is regulated by the Commission de Surveillance du Secteur Financier.

For the Sub-Fund R-co Lux WM Wealth Strategy Fund, Finaccess Advisors, LLC will provide investment advisory services to Rothschild & Co Bank AG. Finaccess Advisors, LLC is registered as an investment adviser with the U.S. Securities and Exchange Commission.

For the Sub-Fund Vital Flex Patrimoine, Vitalepargne will provide investment advisory services to Rothschild & Co Asset Management. Vitalepargne is a Financial Investment Advisor and Insurance Broker registered with the French register of insurance, banking and financial intermediaries ORIAS. The Investment Manager will pay the fees due to the Investment Advisor, as described in the appendix of the Sub-Fund Vital Flex Patrimoine, to Vitalepargne under the terms of the advisory agreement between Vitalepargne and the Investment Manager.

### **Fund Administration**

The Management Company has appointed CACEIS Bank, Luxembourg Branch as Administrative Agent, Paying Agent, Domiciliary and Corporate Agent and Registrar and Transfer Agent of the SICAV.

The SICAV's administrative agent ("Administrative Agent") is responsible for maintaining the books and financial records of the SICAV, preparing the SICAV's financial statements, calculating the amounts of any distribution, and calculating the net asset value of each class of Shares.

The SICAV's paying agent ("Paying Agent") is responsible for liaising, and arranging, with the Custodian of the SICAV for the payment to Shareholders of any distribution or redemption proceeds as applicable.

The SICAV's domiciliary and corporate agent ("Domiciliary and Corporate Agent") provides the SICAV with a registered Luxembourg address and such facilities that may be required by the SICAV for holding meetings convened in

Luxembourg. It also provides assistance with the SICAV's legal and regulatory reporting obligations, including required filings and the mailing of Shareholder documentation.

The SICAV's registrar and transfer agent ("Registrar and Transfer Agent") is responsible for the processing and execution of subscription, transfer, conversion and redemption orders of Shares. It also maintains the SICAV's Shareholder register.

CACEIS Bank acting through its Luxembourg branch (CACEIS Bank, Luxembourg Branch) is a public limited liability company (société anonyme) incorporated under the laws of France, having its registered office located at 1-3, place Valhubert, 75013 Paris, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Paris. It is an authorised credit institution supervised by the European Central Bank ("ECB") and the Autorité de contrôle prudentiel et de résolution ("ACPR"). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

### **Depositary**

CACEIS Bank, Luxembourg Branch is acting as depositary of the SICAV (the "Depositary") in accordance with a depositary agreement dated 8 December 2014 as amended from time to time (the "Depositary Agreement") and the relevant provisions of the Law and Directive 2014/91/UE as completed, implemented or interpreted by any applicable laws and regulations (the "UCITS Rules").

CACEIS Bank acting through its Luxembourg branch (CACEIS Bank, Luxembourg Branch) is a public limited liability company (société anonyme) incorporated under the laws of France, having its registered office located at 1-3, place Valhubert, 75013 Paris, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Paris. It is an authorised credit institution supervised by the European Central Bank ("ECB") and the Autorité de contrôle prudentiel et de résolution ("ACPR"). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

Investors may consult upon request at the registered office of the SICAV the Depositary Agreement to have a better understanding and knowledge of the limited duties and liabilities of

the Depositary.

The Depositary has been entrusted with the custody and/or, as the case may be, recordkeeping and ownership verification of the Sub-Funds' assets, and it shall fulfil the obligations and duties provided for by Part I of the Law. In particular, the Depositary shall ensure an effective and proper monitoring of the SICAV's cash flows.

In due compliance with the UCITS Rules the Depositary shall:

- (i) ensure that the sale, issue, re-purchase, redemption and cancellation of units of the SICAV are carried out in accordance with the applicable national law and the UCITS Rules or Articles of Incorporation;
- (ii) ensure that the value of the Shares is calculated in accordance with the UCITS Rules, the Articles of Incorporation and the procedures laid down in the UCITS Directive;
- (iii) carry out the instructions of the UCITS, unless they conflict with the UCITS Rules, or the Articles of Incorporation;
- (iv) ensure that in transactions involving the UCITS's assets any consideration is remitted to the SICAV within the usual time limits;
- (v) ensure that an UCITS's income is applied in accordance with the UCITS Rules and the Articles of Incorporation.

The Depositary may not delegate any of the obligations and duties set out in (i) to (v) of this clause.

In compliance with the provisions of Directive 2014/91/UE, the Depositary may, under certain conditions, entrust part or all of the assets which are placed under its custody and/or recordkeeping to correspondents or third party custodians as appointed from time to time. The Depositary's liability shall not be affected by any such delegation, unless otherwise specified, but only within the limits as permitted by the Law.

A list of these correspondents /third party custodians are available on the website of the Depositary ([www.caceis.com](http://www.caceis.com), section "veille réglementaire"). Such list may be updated from time to time. A complete list of all correspondents /third party custodians may be obtained, free of charge and upon request, from the Depositary. Up-to-date information regarding the identity of the Depositary, the description of its duties and of conflicts of interest that may arise, the safekeeping functions delegated by the Depositary and any conflicts of interest that may arise from such a

delegation are also made available to investors upon request.

- (a) There are many situations in which a conflict of interest may arise, notably when the Depositary delegates its safekeeping functions or when the Depositary also performs other tasks on behalf of the Company, such as administrative agency and registrar agency services. These situations and the conflicts of interest thereto related have been identified by the Depositary. In order to protect the Company's and its Shareholders' interests and comply with applicable regulations, a policy and procedures designed to prevent situations of conflicts of interest and monitor them when they arise have been set in place within the Depositary, aiming namely at: identifying and analysing potential situations of conflicts of interest;
- (b) recording, managing and monitoring the conflict of interest situations either in:
  - relying on the permanent measures in place to address conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members; or
  - implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the SICAV, or (ii) refuse to carry out the activity giving rise to the conflict of interest.

The SICAV and the Depositary may terminate the Depositary agreement at any time by giving ninety (90) days' notice in writing. The SICAV may, however, dismiss the Depositary only if a new depositary bank is appointed within two months to take over the functions and responsibilities of the Depositary. After its dismissal, the Depositary must continue to carry out its functions and responsibilities until such time as the entire assets of the Sub-Funds have been transferred to the new depositary bank.

The Depositary has established a functional, hierarchical and/or contractual separation between the performance of its UCITS depositary functions and the performance of other tasks on behalf of the SICAV, notably, administrative agency and registrar agency services.



The Depositary has no decision-making discretion nor any advice duty relating to the SICAV's investments. The Depositary is a service provider to the SICAV and is not responsible for the preparation of this Prospectus and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus or the validity of the structure and investments of the SICAV.

## GENERAL INFORMATION

### Organization

The SICAV was incorporated on 20 November, 2014 under the name of R Portfolios. The name of the SICAV was changed to R-co Lux on 13 May 2019.

The Articles of Incorporation of the SICAV were lodged with the registry of the District Court and a publication of such deposit has been made in the Mémorial C, Recueil des Sociétés et Associations of December 10<sup>th</sup>, 2014.

The registered office of the SICAV is located at 5, allée Scheffer, L - 2520 Luxembourg, Grand Duchy of Luxembourg.

The SICAV is recorded in the Luxembourg *Registre de Commerce* under the number B 192.374.

Under Luxembourg law, the SICAV is a distinct legal entity. Each of the Sub-Funds, however, is not a distinct legal entity from the SICAV. All assets and liabilities of each Sub-Fund are distinct from the assets and liabilities of the other Sub-Funds.

### Qualification under Luxembourg Law

The SICAV qualifies under Part I of the Law.

### Accounting Year

The SICAV's fiscal year end is December 31. The SICAV's first fiscal year ended on December 31, 2015.

### Reports

The SICAV publishes annually audited financial statements and semi-annually unaudited financial statements.

### Shareholder's Meetings

The annual general meeting of Shareholders is held at 3 p.m. Luxembourg time in Luxembourg on the fourth Thursday of each month of April. Extra-ordinary Shareholders' meetings or general meetings of Shareholders of any Sub-Fund or any class of Shares may be held at such time and place as indicated in the notice to convene.

Notices of such meetings shall be provided to the Shareholders in accordance with Luxembourg law.

### Disclosure of Sub-Funds' Positions

The SICAV's Board of Directors may, in compliance with applicable laws and regulations (in particular those relating to the prevention of market timing and related practices), authorize the disclosure of information pertaining to a Sub-Fund's positions subject to (i) certain restrictions designed to protect the Sub-Fund's interests, (ii) the Shareholder's acceptance of the terms of a confidentiality agreement.

### Minimum Net Assets

The SICAV must maintain assets equivalent in net value to at least €1,250,000. There is no requirement that the individual Sub-Funds have a minimum amount of assets.

### Changes in Investment Policies of the Fund

The investment objective and policies of each Sub-Fund may be modified from time to time by the Board of Directors of the SICAV without the consent of the Shareholders, although, if any such modification is deemed material, the Shareholders will be given one (1) month's prior notice of any such change in order to redeem their Shares free of charge.

### Notice to Shareholders

Shareholders may be informed of changes to the prospectus by way of a notice made available to the Shareholders on the website mentioned in the relevant Sub-Fund's Appendix.

### Merger of the SICAV or any Sub-Fund with Other Sub-Funds or UCIs

In the circumstances as provided by the SICAV's Articles of Incorporation, the Board of Directors may decide to allocate the assets of any Sub-Fund to those of another existing fund or to another Luxembourg or foreign UCITS (the "new UCITS") or to another sub-fund within such other Luxembourg or foreign UCITS (the "new Fund") and to redesignate the Shares of the class or classes concerned, as relevant, as

shares of the new UCITS of or the new Fund (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to shareholders). In case the SICAV or the Sub-Fund concerned by the merger is the receiving UCITS (within the meaning of the Law), the Board of Directors will decide on the effective date of the merger it has initiated. Such a merger shall be subject to the conditions and procedures imposed by the Law, in particular concerning the merger project to be established by the Board of Directors and the information to be provided to the Shareholders.

A contribution of the assets and of the liabilities attributable to any Sub-Fund to another Sub-Fund may, in any other circumstances, be decided upon by a general meeting of the Shareholders of the class or classes of Shares issued in the Sub-Fund concerned for which there shall be no quorum requirements and which will decide upon such an amalgamation by resolution taken by simple majority of the votes validly cast. Such general meeting of the Shareholders will decide on the effective date of such merger.

The Shareholders may also decide a merger (within the meaning of the Law) of the assets and of the liabilities attributable to the SICAV or any Sub-Fund with the assets of any new UCITS or new Sub-Fund. Such merger and the decision on the effective date of such merger shall require resolutions of the Shareholders of the SICAV or Sub-Fund concerned, subject to the quorum and majority requirements referred to in the Articles. The assets which may not or are unable to be distributed to such Shareholders for whatever reasons will be deposited with the Luxembourg *Caisse de Consignations* on behalf of the persons entitled thereto.

Where the SICAV or any of its Sub-Funds is the absorbed entity which, thus, ceases to exist and irrespective of whether the merger is initiated by the board of directors or by the Shareholders, the general meeting of Shareholders of the SICAV or of the relevant Sub-Fund must decide the effective date of the merger. Such general meeting is subject to the quorum and majority requirements referred to in the SICAV's Articles of Incorporation.

## **Dissolution and Liquidation of the SICAV, any Sub-Fund or any Class of Shares**

Each of the SICAV and any Sub-Fund has been established for an unlimited period. The SICAV's Board of Directors, however, may dissolve the SICAV, any Sub-Fund or any class of Shares and liquidate the assets of the SICAV, Sub-Fund or class of Shares in accordance with Luxembourg law and the SICAV's Articles of Incorporation.

Shareholders will receive from the Custodian their pro rata portion of the net assets of the SICAV, Sub-Fund or class, as the case may be, in accordance with Luxembourg law and the SICAV's Articles of Incorporation.

Liquidation proceeds not claimed by Shareholders will be held by the Luxembourg *Caisse des Consignations* in accordance with Luxembourg law.

If the SICAV's Board of Directors determines to dissolve the SICAV, any Sub-Fund or any class of Shares and liquidate its assets, the SICAV's Board of Directors will publish that determination as it determines in the best interest of the Shareholders of such Sub-Fund or class of Shares.

All redeemed Shares shall be cancelled.

The dissolution of the last Sub-Fund of the SICAV will result in the liquidation of the SICAV.

Liquidation of the SICAV shall be carried out in compliance with the Luxembourg Law and with the SICAV's Articles of Incorporation.

In accordance with the provisions of the Law governing master and feeder UCITS, a Sub-Fund investing into a master in the meaning of the Law shall be closed, as described in this section if that master is liquidated, divided into two or more UCITS or merged with another UCITS, unless the CSSF approves either (i) the investment of at least 85% of the assets of the relevant Sub-Fund into units of another master UCITS or (ii) the Sub-Fund's conversion into a Sub-Fund which is not a feeder UCITS in the meaning of the Law.

## DOCUMENTS AVAILABLE

Any investor may obtain a copy of any of the following documents at:

CACEIS Bank, Luxembourg Branch  
5, allée Scheffer  
L - 2520 Luxembourg  
Grand Duchy of Luxembourg

between 10h00 and 16h00 Luxembourg time on any day that Luxembourg banks are open for regular business:

- The SICAV's Articles of Incorporation;
- The management company services agreement between the SICAV and the Management Company;
- The investment management delegation agreement between the Management Company and each of the Investment Managers;
- The fund administration agreement between the Management Company and CACEIS Bank, Luxembourg Branch;
- The depositary agreement between the SICAV and CACEIS Bank, Luxembourg Branch;
- The Master-Feeder Agreement between the SICAV, the Management Company and Rothschild & Co Asset Management;
- The SICAV's Prospectus and Key Information Document(s);
- The most recent annual and semi-annual financial statements of the SICAV;
- The net asset value of a Share of each Share class of any Sub-Fund for any day that the Shares' net asset values were calculated;
- The Subscription Price and the Redemption Price of a Share of each Share class of any Sub-Fund for any day that the Shares' net asset values were calculated; and
- Luxembourg Law of December 17, 2010 on undertakings for collective investment.

## **PART III – SFDR PRE-CONTRACTUAL DISCLOSURES**

**Sustainable Investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significant harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective**: N/A

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective**: N/A

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50.00% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

Through its internal research and MSCI ESG Research ratings, the Master Fund's Management Company considers a broad spectrum of criteria on the E (physical risks related to climate change, water stress, waste management, etc.) and S (employee training, product safety, auditing of production practices, etc.) pillars as part of its generalist approach.

In addition, the investment teams seek to identify relevant material elements as part of the ex-ante analysis of the ESG profile and the assessment of the ex-post sustainable trajectory of the issuer and/or the industry. Based on the major dependencies and impacts, the following elements can be also considered: : controversies (typology, severity and recurrence), externalities (carbon/toxic emissions, water consumption, biodiversity destruction, accidents, layoffs, strikes, precarious contracts, fraud...), and contributions (taxonomic alignment, participation in the United Nations "SDGs" sustainable development goals, temperature in line with the Paris Agreement...).

The Master Fund seeks to contribute to, and promote, the following United Nation's Sustainable Development Goals: affordable and clean energy (SDG 7), decent work and economic growth (SDG 8), responsible consumption and production (SDG 12), conservation and restoration of terrestrial ecosystems (SDG 15), and partnerships for the goals (SDG 17).

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used to demonstrate the promotion of environmental and/or social characteristics are :

- ESG profile (ESG rating, rating trends and sector breakdown)
- Carbon intensity (deviation from indices, sectoral contribution and identification of major contributors)
- Transition profile (reduction targets, green share, categories of activities in transition, etc.)
- Governance: representation of women on the board of directors
- Sustainable Development Goals (SDGs): percentage aligned with the SDGs.

In particular, and in addition to the above, for each SDG to which the Master Fund seeks to contribute, 3 quantitative indicators have been selected : a positive indicator, a negative indicator and a prospective indicator:

- Affordable and clean energy (SDG 7):
  - o Use of renewable energies (gigawattheure)
  - o Implication in activities linked to fossil fuel (percentage of revenue)
  - o Policy on use of clean / renewable electricity
- Decent work and economic growth (SDG 8)
  - o Number of women in leadership positions
  - o Employee turnover
  - o Rating on the consideration and management of human capital issues such as health and safety at work, the application of labor standards on the value chain, human capital development policies including training programs, mechanisms for employee profit sharing in the company's capital
- Responsible consumption and production (SDG 12)
  - o Environmental and/social policies and/or procedures covering the entire value chain
  - o Respect and compliance with fundamental principles of the International Labour Organization
  - o Scoring of the consideration and management of ESG issues
- Conservation and restoration of terrestrial ecosystems (SDG 15)
  - o Policies and/or procedures related to biodiversity
  - o Water intensity (m3 of water intake / revenue in dollars or euros)
  - o Rating on the consideration and management of issues related to natural resources (water consumption management, use of environmentally friendly materials, policies and procedures for consideration and preservation of ecosystems, ...)
- Partnerships for the goals (SDG 17)
  - o Alignment with the United Nations Global Compact framework
  - o Number of controversies for serious business fraud cases (anti-competitive practices, price fraud, controversial business practices and insider trading)
  - o Linking executive compensation mechanisms to sustainable development objectives

## ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

A sustainable investment is analyzed against three pillars: (i) **its contribution to an environmental or social objective**, (ii) doing so without causing significant harm and (iii) applying good governance practices.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The Master Fund's Management Company's definition is based on data provided by its provider MSCI ESG Research. Additional information relating to the Master Fund's Management Company's definition of sustainable investment is available on its website : <https://am.fr.rothschildandco.com/en/regulatory-information/>

For private issuers, the approach to sustainable investment takes into account:

- the overall positive contribution of companies through their contributing revenues, i.e. linked to activities with positive impacts on the environment or the community (clean energy, energy efficiency, access to healthcare, ...) or their sustainable debt issues (Green, Social, Sustainable Bonds);
- Contribution to environmental objectives, such as reducing emissions in line with the Paris Agreement or reducing water consumption;
- Contribution to social goals, through alignment with the UN Sustainable Development Goals #5 - gender equality, #8 - decent work and economic growth or #10 - reduced inequality.

Further details can be found in the document "Definition of Sustainable Investment" available at: <https://am.fr.rothschildandco.com/en/regulatory-information/>

For public issuers, the approach to sustainable investment takes into account:

- The overall positive contribution of governments through their sustainable debt issues (Green, Social, Sustainable Bonds);
- The positive environmental contribution: Signatory to the Paris Agreement or the United Nations Convention on Biological Diversity;
- The positive social contribution: Performance in terms of equality (GINI index) and freedom of the press (Freedom House).

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to qualify as sustainable, an investment must not cause significant harm to the various environmental or social objectives to which it intends to contribute.

To ensure that the financial product's sustainable investments will not significantly harm an environmental or social objective, the Master Fund's Management Company has defined a "DNSH" procedure for sustainable investments, including:

- Sectoral and normative exclusions that reduce its exposure to social and environmental harm
- Consideration of the mandatory Principal Adverse Impacts (PAI) of these investments on sustainability factors.

The Master Fund's Management Company also uses ESG ratings in its approach as a minimum safeguard for overall sustainability performance.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

The mandatory PAI are taken into account within the Master Fund's Management Company's definition of sustainable investments, through:

- Sectoral and normative exclusions, including compliance with minimum guarantees, through disqualifying PAI:



- PAI 10 – Violations of the United Nations Global Compact principles and the OECD Guidelines for Multinational Enterprises, for private issuers;
- PAI 14 – Exposure to controversial weapons, for private issuers;
- PAI 16 – Investee countries subject to social violations, for public issuers;
- A proprietary quantitative scoring model, integrating mandatory PAI.

Further details on the scoring model can be found in the document “Definition of Sustainable Investment” available at: <https://am.fr.rothschildandco.com/en/regulatory-information/>

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

In its definition of sustainable investment for private issuers, the Master Fund’s Management Company checks for violations of the United Nations Global Compact (UNGC) and the OECD Guidelines for Multinational Enterprises. To this aim, the Master Fund’s Management Company includes a global controversy indicator that measures the company’s historical and current involvement in violations of international standards. The following normative frameworks are considered: the United Nations Global Compact (UNGC), the United Nations Guiding Principles on Business and Human Rights (UNGP on business and human rights), the International Labour Organization (ILO) Conventions and the OECD Guidelines for Multinational Enterprises.

In addition, and at the level of all its investments, the Master Fund’s Management Company excludes companies that are in violation of the ten fundamental principles of the United Nations Global Compact (UNGC).

In addition to the above, the Master Fund specifically applies these exclusions across the portfolio: the United Nations Guiding Principles on Business and Human Rights, the OECD Principles for Multinational Enterprises and the Fundamental Conventions of the International Labour Organization.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes

No

Rothschild & Co Asset Management has identified the main negative impacts (PAIs) on sustainability factors on which it seeks to focus its efforts and resources to deploy its responsible investment approach as a priority:

- Private issuers :
  - Climate change

- Greenhouse gas emissions and intensity, scopes 1 and 2 (PAI 1 & 3)
- Fossil fuel involvement (PAI 4)
- Exposure to issuers not committed to the Paris Agreement (optional climate PAI 4)
- Human rights, business ethics and respect for human dignity
  - Violation of basic ethical standards (PAI 10)
  - Gender diversity in governance bodies (PAI 13)
  - Involvement in controversial weapons (PAI 14)
  - Exposure to issuers with weak anti-corruption processes (optional social/human rights PAI 15)
- Sovereign issuers :
  - Human rights, business ethics and respect for human dignity
    - Exposure to countries with human rights violations and subject to human rights sanctions (PAI 16)

In considering the mandatory PAIs and defining optional and priority PAIs, the Master Fund's Management Company has used the methodology and data of its external provider, MSCI ESG Research.

The consideration of negative impacts is operationally implemented through all the elements of the sustainable approach of the Master Fund's Management Company: exclusion policy, analysis and selection process integrating ESG criteria, engagement approach and ESG reporting. For this product, the Master Fund's Management Company reports annually on all mandatory and optional PAIs chosen for Rothschild & Co Asset Management.

More details on Rothschild & Co Asset Management's definition of sustainable investments are available at: <https://am.fr.rothschildandco.com/stock/lib/ESG/2022/Investissements%20durables.pdf>

Rothschild & Co Asset Management's Policy on addressing Principal Adverse Impact is available on the following website:

<https://am.fr.rothschildandco.com/en/responsible-investing/documentation/>

In addition to the above, and directly related to the investment strategy, the Master Fund considers :

- Emissions to water (PAI Climate 8)
- Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (PAI Social 11)
- Greenhouse gas emissions intensity for sovereign issuers (PAI Climate 15)



## What investment strategy does this financial product follow?

The Master Fund invests in fixed income transferable debt securities and equities as well as in money-market products on the basis of a selection process determined by analysis of the macro-economic and financial and non-financial environment and depending on market opportunities. The Master Fund may also invest up to 10% of its assets in UCITS and/or other UCI. Please refer to the Prospectus for more details.

### ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

#### **Compliance with the Master Fund's Management Company's common exclusion framework**

- Regulatory exclusions: controversial weapons and international sanctions
- Discretionary exclusions: United Nations Global Compact (UNGC) and thermal coal

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

### **The integration of material ESG criteria into the analysis process**

- A combined evaluation of financial and ESG criteria: the integration of ESG criteria is adapted to the analysis process of each management expertise and can be applied at the sector level as well as at the level of the issuer, the Master Fund's Management Company and/or the investment fund, depending on the asset class.

### **Compliance with sustainable requirements at portfolio level**

- Minimum ESG rating target of BBB
- Minimum taxonomical and sustainable investments
- Minimum ESG data coverage (90%)
- Exclusion from the investment universe of 20% of securities with the lowest ESG ratings ;
- The following normative exclusions: the United Nations Guiding Principles on Business and Human Rights, the OECD Principles for Multinational Enterprises and the Fundamental Conventions of the International Labour Organization. ;
- Exclusion of issuers from the following controversial sectors : weapons, tobacco, coal, oil, unconventional gas, conventional gas and power generation.

More information on the Master Fund and its investment strategy is available in the Transparency Code (Direct Management) available on the website of the Master Fund's Management Company.

### **Active engagement**

- Targeted dialogue, particularly on the priority thematic of the Master Fund's Management Company (climate transition, inclusion and fair transition, etc.) and controversies,
- A responsible voting policy on 100% of the equity perimeter,
- Active participation in several working groups (Ademe, Finance for Tomorrow, AFG, Climate Action 100+, etc.) on the strategies implemented in the portfolios (impact, biodiversity, fossil fuels, just transition, etc.)

ESG ratings are mainly sourced from a data provider MSCI ESG Research, scoring companies from CCC to AAA (AAA being the highest rating).

As ESG data is fully integrated into the Master Fund's Management Company's operational systems, ESG monitoring is carried out continuously. The entire value chain of the Master Fund's Management Company (compliance, risk, investment management and reporting teams) is covered by the same ESG data feed (updated quarterly), with ESG constraints and requirements coded into all systems, allowing for monitoring on a daily basis in real time.

Common exclusions are updated, coded with pre-trade blocking in operational systems by compliance. Specific constraints and sustainable targets at product level are the responsibility of the risk department.

Management teams have access to ESG data and can monitor their sustainability constraints on a daily basis via their Bloomberg portal. The impacts of portfolio movements on sustainability requirements are continuously reviewed by investment managers as part of their portfolio allocation.

In addition, regular investment committees provide an opportunity to review the sustainability risks and ESG issues of a specific issuer and/or portfolio.

Finally, warnings covering rating changes and ESG controversies are set up by MSCI ESG Research for investment teams and monitoring departments, in addition to news monitoring by analysts. A detailed process for monitoring controversies is available in the PAI Policy.

ESG reports are produced with the same ESG data flow and subsequently validated by investment teams.

**Good Governance**  
practices include sound management structures, employee relations, remuneration of staff and tax compliance.

### ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Exclusions listed below reduce the initial universe and result in a selectivity rate of at least 20%, or more depending on the investment universe, sectors and strategies of the financial product:

- Regulatory exclusions, as well as the discretionary exclusions of the Master Fund's Management Company;
- The exclusion from the initial investment universe of 20% of securities with the lowest ESG ratings ;
- The following normative exclusions: the United Nations Guiding Principles on Business and Human Rights (UNGP on business and human rights), the OECD Guidelines for Multinational Enterprises, and the Fundamental International Labour Organization (ILO) Conventions;
- The exclusion of issuers from the following « controversial » sectors : weapons, tobacco, coal, oil, unconventional gas, conventional gas and power generation.

### ***What is the policy to assess good governance practices of the investee companies?***

To determine if and when a company is not, or is no longer, adopting good governance practices, the Master Fund's Management Company has put in place a two-level process:

#### **Normative screening**

In line with its common exclusion framework, issuers, both sovereign and private, involved in international sanctions or in violation of the UN Global Compact are excluded from the initial investment universes of the Master Fund's Management Company for all its investment vehicles.

#### **Assessment of good governance practices**

Portfolio managers and research teams are responsible for assessing and monitoring the governance practices of the companies in which they invest.

In assessing good governance practices, the investment teams consider, among other things: MSCI ESG Research governance data, adherence to international codes of conduct (e.g. UNGC signatory), level of independence and diversity among the board of directors, controversies and history of senior management and board representatives.

In MSCI ESG Research's ESG ratings, the governance pillar is considered according to their methodology as material for all sectors and is weighted at minimum 33% in the calculation of the final ESG score for all issuers. This governance pillar is based on 2 sub-themes: Corporate governance (structure and control, board of directors, remuneration and accounting) and corporate behaviour (business ethics and tax transparency). Within these categories, topics such as sound management structures, remuneration and employee relations issues and tax compliance are addressed.

The Master Fund's Management Company believes that the assessment of good governance practices is an ongoing process, and investment teams are encouraged to engage directly with companies to obtain additional information, address concerns and/or remedy issues related to identified governance practices or associated controversies.



### **What is the asset allocation planned for this financial product?**

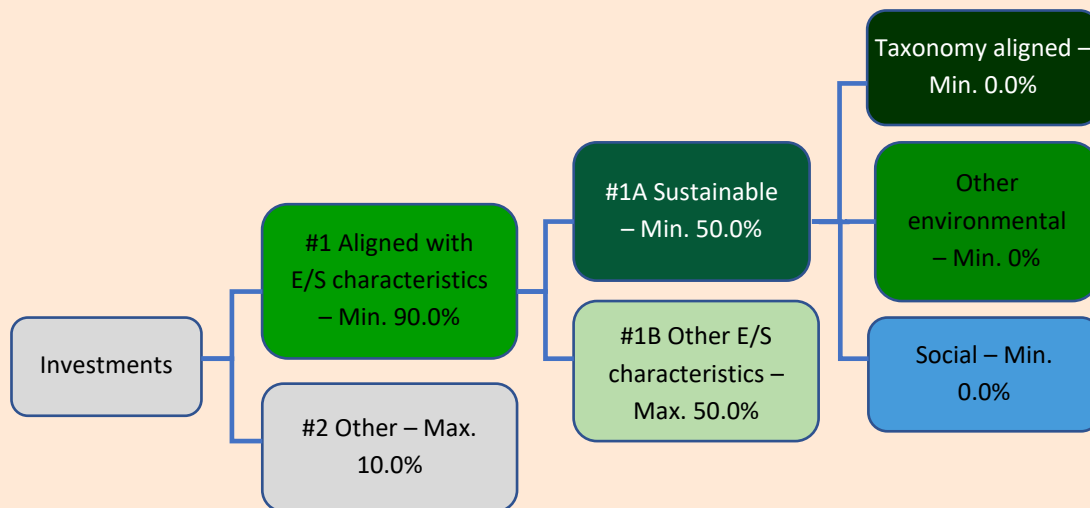
**Asset Allocation**  
describes the share of  
investments in specific  
assets.

Environmentally-aligned  
activities are expressed  
as a share of:

Revenue reflecting the  
share of revenue from  
the activities of  
investee companies

**Capital expenditure**  
(OpEx) showing the  
share of investments made  
in investee companies,  
used for a transition to a  
green economy.

**Operational  
expenditure** (OpEx)  
reflecting green  
operational activities of  
investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The Subcategory **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The Master Fund commits to a minimum sustainable investment, without pre-defining an allocation between environmental and social objectives, which explains the 0% minimums on these 2 pillars.

The asset allocation figures presented above are pre-contractual maximums or minimums expressed as a percentage of the net assets and do not anticipate a target allocation. For information on realized percentages, please refer to the annual report.

The “#2 Other” category includes securities that are not analyzed according to ESG criteria, as well as in ancillary liquid assets.

In accordance with Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy), the “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities, which represent a minimum alignment commitment of 0% of investments.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

A proportion of the net assets of the Master Fund may be invested in instruments that do not promote environmental or social characteristics (liquidity, UCIs or derivatives). They constitute technical and support instruments for the financial objective of the Master Fund (hedging, liability movements, etc.). Minimum ESG safeguards are applied in line with our sustainable approach, detailed in the answer to the question dedicated to "other" investments below.

### ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Interest-rate and currency derivatives neither participate in nor affect the environmental or social characteristics promoted by the financial product. Derivatives on other asset classes do not participate in the promotion of environmental and social characteristics, but may affect them. Derivatives are not taken into account in the ratios presented above.

- When gaining exposure to underlying assets via derivatives, the Master Fund may use derivatives whose underlying assets are analyzed from an ESG perspective and in compliance with the Master Fund’s sustainable approach;
- For OTC derivatives, the counterparty will be also subject to an ESG analysis.

More information is available in the Transparency Code of the Master Fund.



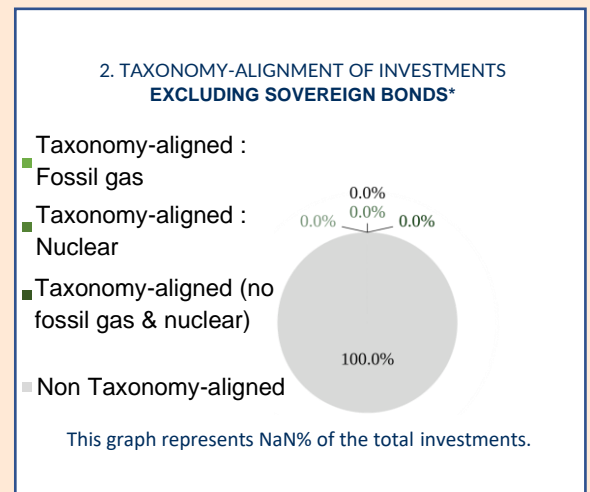
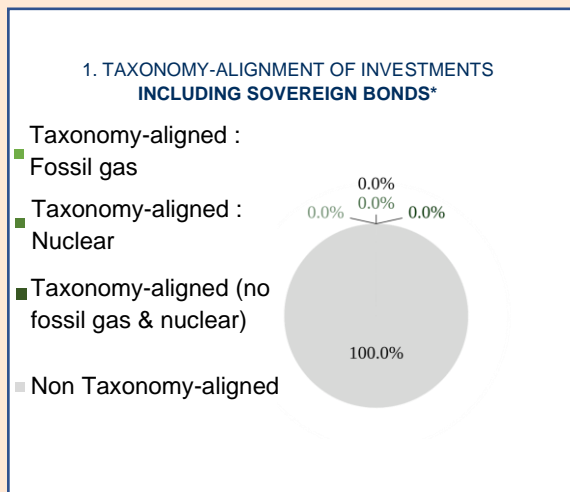
**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the UE Taxonomy<sup>1</sup>?**

- Yes
- No
- In fossil gas
- In nuclear energy

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures.

**What is the minimum share of investments in transitional and enabling activities?**

The minimum share of enabling and transitional activities is 0%.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Within the minimum invested in sustainable investments, the minimum share with an environmental objective not aligned with the taxonomy is 0%. Indeed, the Master Fund commits to a minimum sustainable investment, without pre-defining an allocation between environmental and social objectives.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the UE Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the UE Taxonomy are laid down in Commission Delegated Regulation (UE) 2022/1214.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of socially sustainable investments?**

Within the minimum invested in sustainable investments, the minimum share with a social objective is 0%. Indeed, the Master Fund commits to a minimum sustainable investment, without pre-defining an allocation between environmental and social objectives.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

A proportion of the net assets of the Master Fund may be invested in securities that are not analyzed according to ESG criteria. Nevertheless, they all respect the common exclusion framework of the Master Fund’s Management Company, thus ensuring a minimum of ESG principles.

These securities held in the portfolio, within the allocation limits set out in the prospectus, are used to pursue the investment objective of the Master Fund.

The Master Fund may hold ancillary liquid assets, up to 10% of its net assets. Liquid assets may be invested in money market funds managed by the Master Fund’s Management Company, which respect its ESG policy and for which it has full transparency.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No.

**How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable.

**How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable.

**How does the designated index differ from a relevant broad market index?**

Not Applicable.

**Where can the methodology used for the calculation of the designated index be found?**

Not Applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote



Where can I find more product specific information online?

Additional details on this financial product can be found in the prospectus, the ESG policy and the Principal Adverse Impacts policy and Sustainability Risk policies which are available on the Master Fund’s

Management Company's  
investing/documentation/

website: <https://am.fr.rothschildandco.com/en/responsible->



**Sustainable Investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significant harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective**: N/A

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective**: N/A

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of [N/A] of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

A majority of securities within the portfolio's investment universe are subject to an ex ante analysis of their ESG profile. The non-financial ratings are primarily sourced from an external non-financial research data provider: Sustainalytics. The Sub-Fund integrates the ESG sustainable investment criteria through Sustainalytics Risk Ratings.

Sustainalytics' ESG Risk Ratings are designed to help investors identify and understand financially material ESG-related risks within their investment portfolios and how those risks might affect the Sub-Fund performance. The ESG Risk Ratings, combined with qualitative internal analyses, provide investors with: (i) a differentiated risk signal and deeper insights into the materiality of certain ESG issues for a company ; and (ii) if the company is managing them effectively or not.

Additionally, BDL Capital Management, as Delegate Investment Manager of the Sub-Fund (the "Delegate Investment Manager") uses its in-house scoring system called QIRA. QIRA measures the long-term sustainability of companies and is the Delegate Investment Manager's most significant pillar in the scoring of companies' fundamental quality. The QIRA score is a score out of 20 and is calculated thanks to a questionnaire containing 50 questions:

- 18 questions regarding the Environment ("E") pillar
- 17 regarding the Social ("S") pillar
- 15 regarding the Governance ("G") pillar

To be eligible for selection by the Sub-Fund, the average ESG Risk Rating (from the data provider Sustainalytics) of the long portfolio must be higher than the average score of the investment universe.

The Sub-Fund does not target any specific thematic focus.

### ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The proportion of positions analyzed through Sustainalytics Risk Rating will be higher than:

- 90% in number of companies with a capitalization of more than €10 billion
- 75% in number of companies with a capitalization of less than €10 billion

To be eligible for selection by the Sub-Fund, the average Sustainalytics Risk Rating of the long portfolio (in number of companies) must be higher than the average Sustainalytics Risk Rating of the investment universe.

Additionally, to be eligible for selection (long portfolio only) by the Sub-Fund, the QIRA score must be at least 10/20. 100% of the securities in the Sub-Fund portfolio are subject to an ex ante QIRA analysis.

The QIRA score ranges from 0 to 20. It is entered in the Delegate Investment Manager's proprietary database, which is accessible by all the analysts and managers. It centralizes the quantitative analyses. The score entered by an analyst for any given company is systematically validated by a manager, who is responsible for ensuring the consistency of the scoring method.

The QIRA score is calculated as follows:

- A questionnaire containing 50 questions: 18 regarding the E pillar, 17 regarding the S pillar and 15 regarding the G pillar;
- An ESG information transparency score;
- A score of the ESG practices quality based on the work published by the Carbon Disclosure Project ("CDP") and analysts;
- A total QIRA score weighting the different ESG pillars as follows.

#### QIRA environment pillar:

For the "E" pillar, the quality score comes from the NGO CDP's score ([www.cdp.net](http://www.cdp.net)). CDP scoring system: The CDP scores companies' environmental risk management from A to D. A is the highest possible score and indicates:

- Highly advanced climate risk management practices
- A thorough understanding of global warming-related issues
- An alignment of reporting and practices with the recommendations of the TFCD (Task Force on Climate-related financial Disclosures)

The CDP scores companies based on the climate change questionnaire that they complete each year. Companies are successively scored according to four levels as their practices improve. To move up to the next level, a minimum score at the previous level is required.

The four levels are as follows:

- Disclosure: evaluation of the quality of companies' reporting on GHG emissions, their reduction targets, their strategy and their governance
- Awareness: the level of companies' understanding of the issues related to the environmental risks of their activities
- Management: analysis of companies' actions to manage these issues
- Leadership: climate strategies adopted by companies that represent best practices as defined by the CDP and the organizations that work in collaboration with it (e.g. the Science Based Target Initiative).

#### QIRA governance pillar:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

For the “G” pillar, the quality score reflects the Delegate Investment Manager’s knowledge of companies’ actual practices. It is the result of meetings between the Delegate Investment Manager’s analysts and the management of each company (in 2021, BDL analysts had more than 850 meetings with companies). The questions regarding governance relate to shareholder structure, the board of directors, financial communication, ethics practices and management quality.

QIRA social pillar:

For the “S” pillar, the quality score reflects the Delegate Investment Manager’s knowledge of the actual practices of companies.

The questions for this pillar relate to social policy, organizational structure, the treatment of employees and their pay.

Controversies:

For each company in the Delegate Investment Manager’s investment universe, the ESG scores and controversies provided by the service provider Sustainalytics are automatically fed, via an IT flow, into the “QIRA” in-house tool, allowing the display of two gauges based on the information provided by Sustainalytics:

- The company’s ESG risk score
- The controversy level (out of 5)

The research and analysis works are systematically conducted by the Delegate Investment Manager’s team of analysts. The financial research and the valuation modelling are carried out simultaneously with the non-financial analysis.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

N/A

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

N/A

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes

No

The Delegate Investment Manager takes into account the following PAI in the management of the Sub-Fund:

- GHG emissions
- Non-renewable energy
- Energy consumption intensity
- Emissions to water
- Hazardous waste ratio
- Unadjusted gender pay gap
- Board gender diversity.



## What investment strategy does this financial product follow?

The Sub-Fund will be actively managed through long and short positions on equity markets. In particular, the Sub-Fund may invest up to 100% of its total net assets in equity securities of European companies (meaning from the European Union, the United Kingdom, Switzerland and Norway) having a market capitalization or a revenue of at least one billion Euros at the time of the acquisition. The Sub-Fund may invest up to 10% of its total net assets in non-European equities traded on exchanges in member states of the OECD or in companies having less than one billion Euros of revenue or market capitalization. And to implement its short investment strategy, the Sub-Fund may use financial derivative instruments such as equity index futures and forward, equity index swaps and/or contracts for difference. Please refer to the Prospectus for more details.

### ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

#### **Compliance with the Investment Manager's common exclusion framework**

- Regulatory exclusions: controversial weapons and international sanctions
- Discretionary exclusions: United Nations Global Compact (UNGC)

#### **Compliance with sustainable requirements at portfolio level**

- Minimum ESG rating target of BBB

#### **Sector exclusions**

The Sub-Fund does not invest in the following sectors:

- Cluster munitions and anti-personnel mines: from the 1st € of revenue of the investee companies
- Civilian weapons: 25% of the revenue of the investee companies
- Tobacco:
  - Producer : 5% of the revenue of the investee companies
  - Distributors : 15% of the revenue of the investee companies
- Coal : 25% of the revenue of the investee companies
- Pornographic activities : 25% of the revenue of the investee companies

#### **ESG analysis**

The proportion of positions analysed through Sustainability Risk Rating will be higher than:

- 90% in number of companies with a capitalization of more than €10 billion
- 75% in number of companies with a capitalization of less than €10 billion

In order to be eligible for selection by the Sub-Fund, the average Sustainability Risk Rating of the long portfolio (in number of companies) must be higher than the average Sustainability Risk Rating of the investment universe.

Additionally, to be eligible for selection (long portfolio only) by the Sub-Fund, the QIRA score must be at least 10/20. 100% of the securities in the Sub-Fund long portfolio are subject to an ex ante QIRA analysis.

### ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The reduction of the initial investment universe does not translate into a selectivity rate fixed in advance of the investment process. On the other hand, the investment universe is reduced by the regulatory exclusions, to which are added the discretionary exclusions of the Delegate Investment Manager.

### ***What is the policy to assess good governance practices of the investee companies?***

To determine if and when a company is not, or is no longer, adopting good governance practices, the Investment Manager has put in place a two-level process:

#### Normative screening

In line with its common exclusion framework, issuers, both sovereign and private, involved in international sanctions or in violation of the UN Global Compact are excluded from the Investment Manager's initial investment universes for all its investment vehicles.

#### Assessment of good governance practices

The Sub-Fund considers good governance as part of the investment decision making process. Good governance practices are taken into account qualitatively and quantitatively in the process through the ESG Risk Rating from Sustainalytics.

Corporate governance is a foundational element in the ESG Risk Ratings and reflects the conviction that poor corporate governance poses material risks for companies. It applies to all companies in the rating universe, irrespective of the sub-industry they are in. The exposure to corporate governance is similar across the board. On average, unmanaged corporate governance risk contributes round about 20% to the overall unmanaged risk score of a company. The final weight varies depending on the individual selection of material ESG issues for that specific company.

Corporate governance is composed of six pillars:

- **Board and management quality and integrity** : whether the board's experience, track record and behaviour demonstrate its ability to provide strategic leadership and oversight
- **Board structure**: whether the organization and structure of the board provide sufficient oversight, representation and accountability to shareholders
- **Ownership and shareholder rights**: whether the constitution of the company and its ownership structures respect the right of outside shareholders relative to the board, management and major shareholders
- **Remuneration**: whether the company's remuneration policies and practices provide appropriate incentives for management to build value
- **Financial reporting**: whether the company's financial reports reliable and subject to appropriate oversight
- **Stakeholder governance**: whether the company has appropriate structures in place to manage ESG issues generally and is the company transparent about these

Additionally, the QIRA Governance pillar reflects the Delegate Investment Manager's knowledge of actual practices of companies. The Governance pillar is composed of 10 questions that represent 40% of the total QIRA score.

The questions on governance relate particularly to shareholder structure, the Board of Directors, financial communication, ethics practices and management quality.

#### **Good Governance**

practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

### Asset Allocation

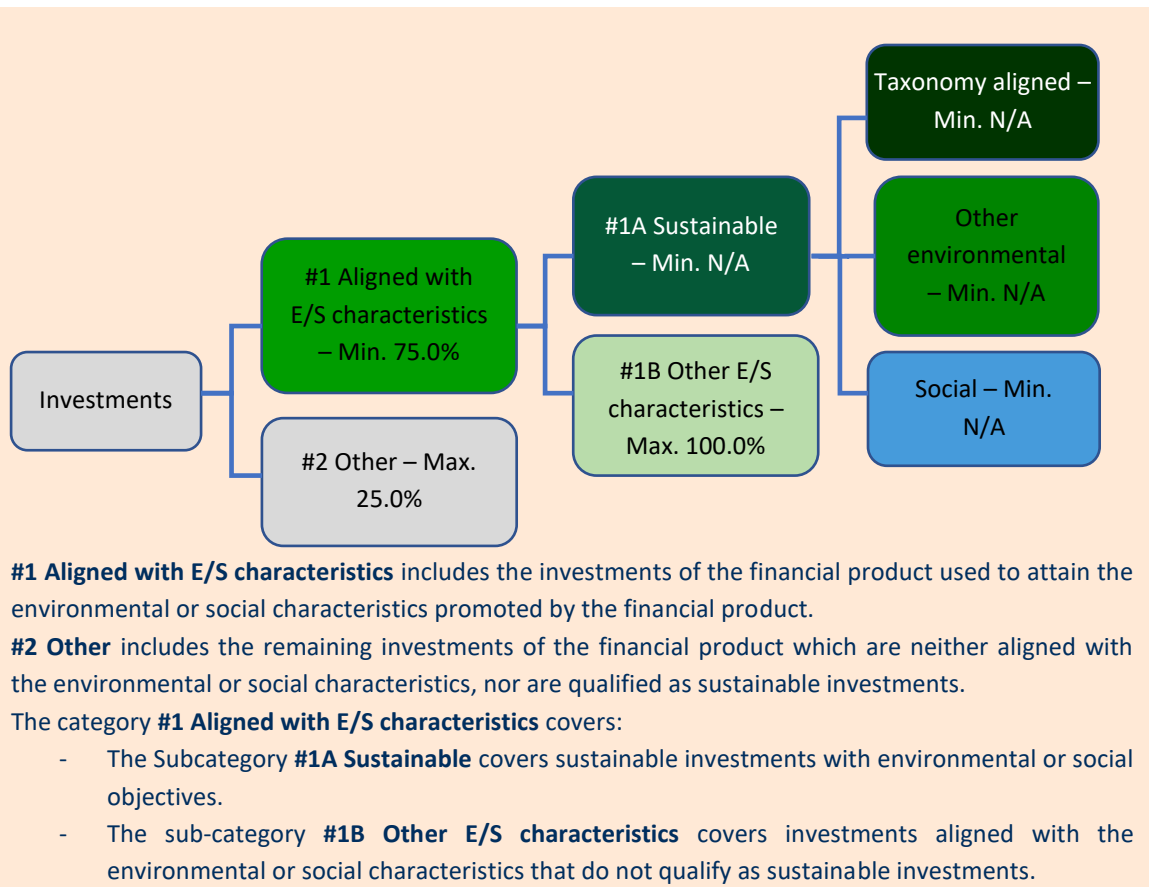
describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

-**turnover** reflecting the share of revenue from green activities of investee companies

-**capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

-**operational expenditure** (OpEx) reflecting green operational activities of investee companies.



The product does not commit to a minimum sustainable investment.

The asset allocation figures presented above are pre-contractual maximums or minimums expressed as a percentage of the net assets and do not anticipate a target allocation. For information on realized percentages, please refer to the annual report.

The “#2 Other” category primarily contains derivative instruments for short positions (including currency derivatives) and for exposure and hedging purposes, debt instruments, bank deposits and other liquid instruments.

### ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

The derivatives on the long side of the portfolio could be used to attain the environmental or social characteristics promoted by the Sub-Fund. They are used on an ad hoc basis to gain exposure to selected companies and follow the same process as any regular long cash equity position (process described above in this document).

The derivatives on the short side of the portfolio are not used to attain the environmental or social characteristics promoted by the Sub-Fund.



### ***To what minimum extent are sustainable investments with an environmental***

## objective aligned with the EU Taxonomy?

Not applicable.

### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the UE Taxonomy<sup>1</sup>?

Yes

In fossil gas

In nuclear energy

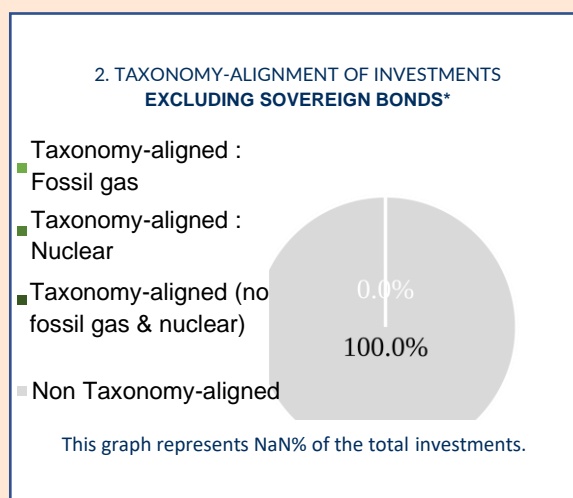
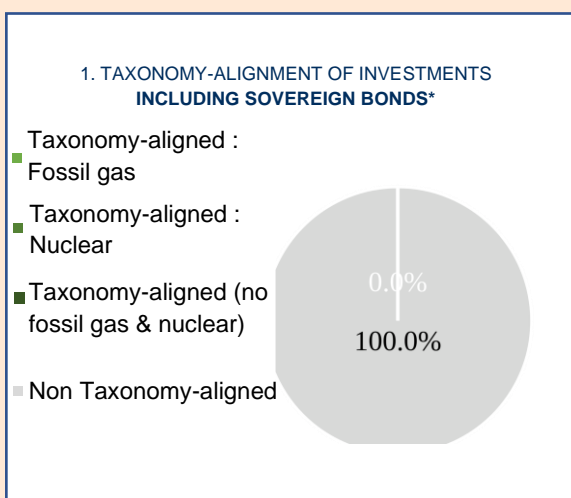
No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities**, directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

### What is the minimum share of investments in transitional and enabling activities?

Not applicable.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable



### What is the minimum share of socially sustainable investments?

Not applicable

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the UE Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the UE Taxonomy are laid down in Commission Delegated Regulation (UE) 2022/1214.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The “#2 Other” category primarily contains derivative instruments for short positions (including currency derivatives) and for exposure and hedging purposes, debt instruments, bank deposits and other liquid instruments.

The Sub-Fund does not consider any minimum environmental or social safeguards on these remaining investments.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No.

**How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A

**How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A

**How does the designated index differ from a relevant broad market index?**

N/A

**Where can the methodology used for the calculation of the designated index be found?**

N/A

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote



Where can I find more product specific information online?

More details about the financial product are available in the prospectus and on the Delegate Investment Manager's website:

BDL Capital Management website: <https://www.bdlcm.com/fonds/rempart>

BDL Capital Management ESG approach: <https://www.bdlcm.com/approche-esg>

BDL Capital Management sustainable investment policy: [https://global-uploads.webflow.com/61fcf0ccadab5a815b8905c4/6272523b2f75a4c6f7ece55e\\_BDLCM%20-%20P028%20-%20Politique%20d%27investissement%20durable%20-%20version%201%20-%2003-2022-%20FR%20vdef.pdf](https://global-uploads.webflow.com/61fcf0ccadab5a815b8905c4/6272523b2f75a4c6f7ece55e_BDLCM%20-%20P028%20-%20Politique%20d%27investissement%20durable%20-%20version%201%20-%2003-2022-%20FR%20vdef.pdf)



**Sustainable Investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significant harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective**: N/A

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective**: N/A

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30.00% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

Through its internal research and MSCI ESG Research ratings, the Master Fund's Management Company considers a broad spectrum of criteria on the E (physical risks related to climate change, water stress, waste management, etc.) and S (employee training, product safety, auditing of production practices, etc.) pillars as part of its generalist approach.

In addition, the investment teams seek to identify relevant material elements as part of the ex-ante analysis of the ESG profile and the assessment of the ex-post sustainable trajectory of the issuer and/or the industry. Based on the major dependencies and impacts, the following elements can be also considered: : controversies (typology, severity and recurrence), externalities (carbon/toxic emissions, water consumption, biodiversity destruction, accidents, layoffs, strikes, precarious contracts, fraud...), and contributions (taxonomic alignment, participation in the United Nations "SDGs" sustainable development goals, temperature in line with the Paris Agreement...).

### ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used to demonstrate the promotion of environmental and/or social characteristics are :

- ESG profile (ESG rating, rating trends and sector breakdown)

- Carbon intensity (deviation from indices, sectoral contribution and identification of major contributors)
- Transition profile (reduction targets, green share, categories of activities in transition, etc.)
- Governance: representation of women on the board of directors
- Sustainable Development Goals (SDGs): percentage aligned with the SDGs.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

A sustainable investment is analyzed against three pillars: (i) **its contribution to an environmental or social objective**, (ii) doing so without causing significant harm and (iii) applying good governance practices.

The Master Fund's Management Company's definition is based on data provided by its provider MSCI ESG Research. Additional information relating to the Master Fund's Management Company's definition of sustainable investment is available on its website : <https://am.fr.rothschildandco.com/en/regulatory-information/>

For private issuers, the approach to sustainable investment takes into account:

- the overall positive contribution of companies through their contributing revenues, i.e. linked to activities with positive impacts on the environment or the community (clean energy, energy efficiency, access to healthcare, ...) or their sustainable debt issues (Green, Social, Sustainable Bonds);
- Contribution to environmental objectives, such as reducing emissions in line with the Paris Agreement or reducing water consumption;
- Contribution to social goals, through alignment with the UN Sustainable Development Goals #5 - gender equality, #8 - decent work and economic growth or #10 - reduced inequality.

Further details can be found in the document "Definition of Sustainable Investment" available at: <https://am.fr.rothschildandco.com/en/regulatory-information/>

For public issuers, the approach to sustainable investment takes into account:

- The overall positive contribution of governments through their sustainable debt issues (Green, Social, Sustainable Bonds);
- The positive environmental contribution: Signatory to the Paris Agreement or the United Nations Convention on Biological Diversity;
- The positive social contribution: Performance in terms of equality (GINI index) and freedom of the press (Freedom House).

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to qualify as sustainable, an investment must not cause significant harm to the various environmental or social objectives to which it intends to contribute.

To ensure that the financial product's sustainable investments will not significantly harm an environmental or social objective, the Master Fund's Management Company has defined a "DNSH" procedure for sustainable investments, including:

- Sectoral and normative exclusions that reduce its exposure to social and environmental harm
- Consideration of the mandatory Principal Adverse Impacts (PAI) of these investments on sustainability factors.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The Master Fund's Management Company also uses ESG ratings in its approach as a minimum safeguard for overall sustainability performance.

### *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The mandatory PAI are taken into account within the Master Fund's Management Company's definition of sustainable investments, through:

- Sectoral and normative exclusions, including compliance with minimum guarantees, through disqualifying PAI:
  - o PAI 10 – Violations of the United Nations Global Compact principles and the OECD Guidelines for Multinational Enterprises, for private issuers;
  - o PAI 14 – Exposure to controversial weapons, for private issuers;
  - o PAI 16 – Investee countries subject to social violations, for public issuers;
- A proprietary quantitative scoring model, integrating mandatory PAI.

Further details on the scoring model can be found in the document "Definition of Sustainable Investment" available at: <https://am.fr.rothschildandco.com/en/regulatory-information/>

### *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

In its definition of sustainable investment for private issuers, the Master Fund's Management Company checks for violations of the United Nations Global Compact (UNGC) and the OECD Guidelines for Multinational Enterprises. To this aim, the Master Fund's Management Company includes a global controversy indicator that measures the company's historical and current involvement in violations of international standards. The following normative frameworks are considered: the United Nations Global Compact (UNGC), the United Nations Guiding Principles on Business and Human Rights (UNGP on business and human rights), the International Labour Organization (ILO) Conventions and the OECD Guidelines for Multinational Enterprises.

In addition, and at the level of all its investments, the Master Fund's Management Company excludes companies that are in violation of the ten fundamental principles of the United Nations Global Compact (UNGC).

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes

No

Rothschild & Co Asset Management has identified the main negative impacts (PAIs) on sustainability factors on which it seeks to focus its efforts and resources to deploy its responsible investment approach as a priority:

- Private issuers :
  - Climate change
    - Greenhouse gas emissions and intensity, scopes 1 and 2 (PAI 1 & 3)
    - Fossil fuel involvement (PAI 4)
    - Exposure to issuers not committed to the Paris Agreement (optional climate PAI 4)
  - Human rights, business ethics and respect for human dignity
    - Violation of basic ethical standards (PAI 10)
    - Gender diversity in governance bodies (PAI 13)
    - Involvement in controversial weapons (PAI 14)
    - Exposure to issuers with weak anti-corruption processes (optional social/human rights PAI 15)
- Sovereign issuers :
  - Human rights, business ethics and respect for human dignity
    - Exposure to countries with human rights violations and subject to human rights sanctions (PAI 16)

In considering the mandatory PAIs and defining optional and priority PAIs, the Master Fund's Management Company has used the methodology and data of its external provider, MSCI ESG Research.

The consideration of negative impacts is operationally implemented through all the elements of the sustainable approach of the Master Fund's Management Company: exclusion policy, analysis and selection process integrating ESG criteria, engagement approach and ESG reporting. For this product, the Master Fund's Management Company reports annually on all mandatory and optional PAIs chosen for Rothschild & Co Asset Management.

More details on Rothschild & Co Asset Management's definition of sustainable investments are available at: <https://am.fr.rothschildandco.com/stock/lib/ESG/2022/Investissements%20durables.pdf>

Rothschild & Co Asset Management's Policy on addressing Principal Adverse Impact is available on the following website:

<https://am.fr.rothschildandco.com/en/responsible-investing/documentation/>



## What investment strategy does this financial product follow?

The Master Fund may invest in and/or be exposed to equities issued in one or more Eurozone countries and possibly up to 10% on Eastern European markets across all industrial sectors and sizes of stock market capitalisation, and may also invest in fixed income transferable debt securities and in UCITS and/or other UCI. Please refer to the Prospectus for more details.

### ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

#### **Compliance with the Master Fund's Management Company's common exclusion framework**

- Regulatory exclusions: controversial weapons and international sanctions
- Discretionary exclusions: United Nations Global Compact (UNGC) and thermal coal

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

### **The integration of material ESG criteria into the analysis process**

- A combined evaluation of financial and ESG criteria: the integration of ESG criteria is adapted to the analysis process of each management expertise and can be applied at the sector level as well as at the level of the issuer, the Master Fund's Management Company and/or the investment fund, depending on the asset class.

### **Compliance with sustainable requirements at portfolio level**

- Minimum ESG rating target of BBB
- Minimum taxonomical and sustainable investments
- Minimum ESG data coverage: The proportion of positions analyzed on the basis of non-financial criteria will be higher than:
  - 90% of the portion of net assets consisting of shares issued by companies with a capitalization of more than €10 billion and having their registered offices located in developed countries, debt securities and money market instruments rated investment grade and sovereign debt issued by developed countries;
  - 75% of the portion of net assets consisting of shares issued by companies with a capitalization of less than €10 billion, or whose registered office is located in non-OECD countries, as well as debt securities and money market instruments rated high yield.

### **Active engagement**

- Targeted dialogue, particularly on the priority thematic of the Master Fund's Management Company (climate transition, inclusion and fair transition, etc.) and controversies,
- A responsible voting policy on 100% of the equity perimeter,
- Active participation in several working groups (Ademe, Finance for Tomorrow, AFG, Climate Action 100+, etc.) on the strategies implemented in the portfolios (impact, biodiversity, fossil fuels, just transition, etc.)

ESG ratings are mainly sourced from a data provider MSCI ESG Research, scoring companies from CCC to AAA (AAA being the highest rating).

As ESG data is fully integrated into the Master Fund's Management Company's operational systems, ESG monitoring is carried out continuously. The entire value chain of the Master Fund's Management Company (compliance, risk, investment management and reporting teams) is covered by the same ESG data feed (updated quarterly), with ESG constraints and requirements coded into all systems, allowing for monitoring on a daily basis in real time.

Common exclusions are updated, coded with pre-trade blocking in operational systems by compliance. Specific constraints and sustainable targets at product level are the responsibility of the risk department.

Management teams have access to ESG data and can monitor their sustainability constraints on a daily basis via their Bloomberg portal. The impacts of portfolio movements on sustainability requirements are continuously reviewed by investment managers as part of their portfolio allocation.

In addition, regular investment committees provide an opportunity to review the sustainability risks and ESG issues of a specific issuer and/or portfolio.

Finally, warnings covering rating changes and ESG controversies are set up by MSCI ESG Research for investment teams and monitoring departments, in addition to news monitoring by analysts. A detailed process for monitoring controversies is available in the PAI Policy.

ESG reports are produced with the same ESG data flow and subsequently validated by investment teams.

**Good Governance**  
practices include sound management structures, employee relations, remuneration of staff and tax compliance.

### ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The reduction of the initial investment universe does not translate into a pre-determined selectivity rate at the onset of the investment process. However, regulatory exclusions, and subsequently the discretionary exclusions of the Master Fund's Management Company, are applied to the investment universe.

### ***What is the policy to assess good governance practices of the investee companies?***

To determine if and when a company is not, or is no longer, adopting good governance practices, the Master Fund's Management Company has put in place a two-level process:

#### **Normative screening**

In line with its common exclusion framework, issuers, both sovereign and private, involved in international sanctions or in violation of the UN Global Compact are excluded from the initial investment universes of the Master Fund's Management Company for all its investment vehicles.

#### **Assessment of good governance practices**

Portfolio managers and research teams are responsible for assessing and monitoring the governance practices of the companies in which they invest.

In assessing good governance practices, the investment teams consider, among other things: MSCI ESG Research governance data, adherence to international codes of conduct (e.g. UNGC signatory), level of independence and diversity among the board of directors, controversies and history of senior management and board representatives.

In MSCI ESG Research's ESG ratings, the governance pillar is considered according to their methodology as material for all sectors and is weighted at minimum 33% in the calculation of the final ESG score for all issuers. This governance pillar is based on 2 sub-themes: Corporate governance (structure and control, board of directors, remuneration and accounting) and corporate behaviour (business ethics and tax transparency). Within these categories, topics such as sound management structures, remuneration and employee relations issues and tax compliance are addressed.

The Master Fund's Management Company believes that the assessment of good governance practices is an ongoing process, and investment teams are encouraged to engage directly with companies to obtain additional information, address concerns and/or remedy issues related to identified governance practices or associated controversies.



### **What is the asset allocation planned for this financial product?**

#### Asset Allocation

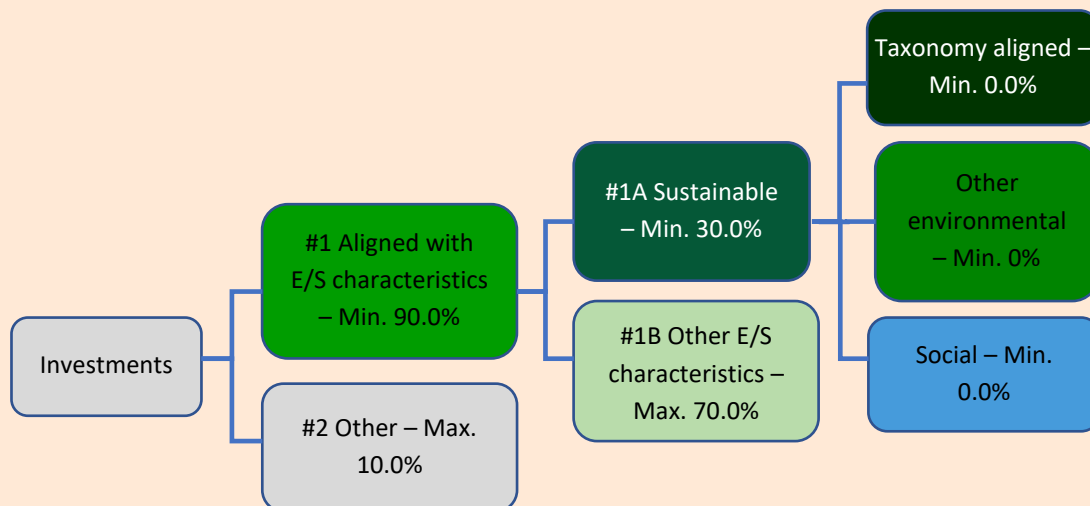
describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

-**turnover** reflecting the share of revenue from green activities of investee companies

-**capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

-**operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The Subcategory **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The Master Fund commits to a minimum sustainable investment, without pre-defining an allocation between environmental and social objectives, which explains the 0% minimums on these 2 pillars.

The asset allocation figures presented above are pre-contractual maximums or minimums expressed as a percentage of the net assets and do not anticipate a target allocation. For information on realized percentages, please refer to the annual report.

The “#2 Other” category includes securities that are not analyzed according to ESG criteria, as well as in ancillary liquid assets.

In accordance with Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy), the “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities, which represent a minimum alignment commitment of 0% of investments.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

A proportion of the net assets of the Master Fund may be invested in instruments that do not promote environmental or social characteristics (liquidity, UCIs or derivatives). They constitute technical and support instruments for the financial objective of the Master Fund (hedging, liability movements, etc.). Minimum ESG safeguards are applied in line with our sustainable approach, detailed in the answer to the question dedicated to “other” investments below.

#### ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Interest-rate and currency derivatives neither participate in nor affect the environmental or social characteristics promoted by the financial product. Derivatives on other asset classes do not participate in the promotion of environmental and social characteristics, but may affect them. Derivatives are not taken into account in the ratios presented above.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the UE Taxonomy<sup>1</sup>?

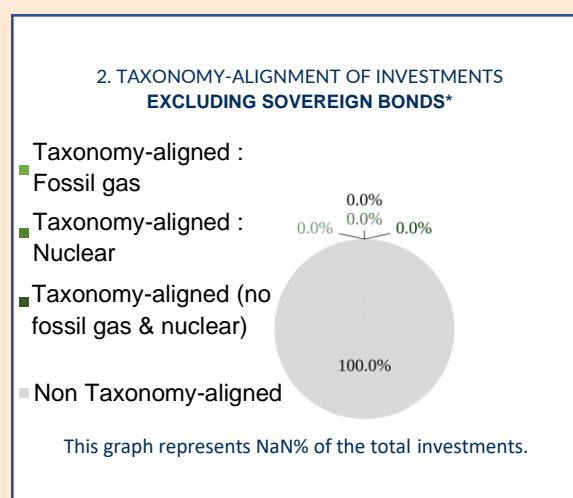
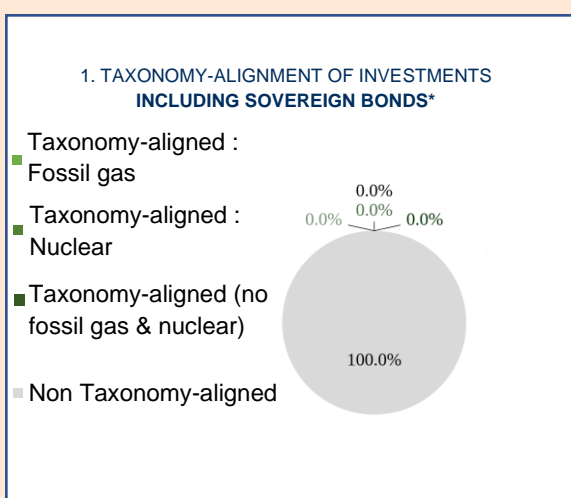
Yes

In fossil gas

In nuclear energy

No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

### What is the minimum share of investments in transitional and enabling activities?

The minimum share of enabling and transitional activities is 0%.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Within the minimum invested in sustainable investments, the minimum share with an environmental objective not aligned with the taxonomy is 0%. Indeed, the Master Fund commits to a minimum sustainable investment, without pre-defining an allocation between environmental and social objectives.



### What is the minimum share of socially sustainable investments?

Within the minimum invested in sustainable investments, the minimum share with a social objective is 0%. Indeed, the Master Fund commits to a minimum sustainable investment, without pre-defining an allocation between environmental and social objectives.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the UE Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the UE Taxonomy are laid down in Commission Delegated Regulation (UE) 2022/1214.





**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

A proportion of the net assets of the Master Fund may be invested in securities that are not analyzed according to ESG criteria. Nevertheless, they all respect the common exclusion framework of the Master Fund’s Management Company, thus ensuring a minimum of ESG principles.

These securities held in the portfolio, within the allocation limits set out in the prospectus, are used to pursue the investment objective of the Master Fund.

The Master Fund may hold ancillary liquid assets, up to 10% of its net assets. Liquid assets may be invested in money market funds managed by the Master Fund’s Management Company, which respect its ESG policy and for which it has full transparency.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

**How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A

Not Applicable.

**How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A

**How does the designated index differ from a relevant broad market index?**

N/A

**Where can the methodology used for the calculation of the designated index be found?**

N/A

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote



**Where can I find more product specific information online?**

Additional details on this financial product can be found in the prospectus, the ESG policy and the Principal Adverse Impacts policy and Sustainability Risk policies which are available on the Master Fund’s Management Company’s website: <https://am.fr.rothschildandco.com/en/responsible-investing/documentation/>

**Sustainable Investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significant harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective**: N/A

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective**: N/A

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30.00% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

Through its internal research and MSCI ESG Research ratings, the Master Fund's Management Company considers a broad spectrum of criteria on the E (physical risks related to climate change, water stress, waste management, etc.) and S (employee training, product safety, auditing of production practices, etc.) pillars as part of its generalist approach.

In addition, the investment teams seek to identify relevant material elements as part of the ex-ante analysis of the ESG profile and the assessment of the ex-post sustainable trajectory of the issuer and/or the industry. Based on the major dependencies and impacts, the following elements can be also considered: : controversies (typology, severity and recurrence), externalities (carbon/toxic emissions, water consumption, biodiversity destruction, accidents, layoffs, strikes, precarious contracts, fraud...), and contributions (taxonomic alignment, participation in the United Nations "SDGs" sustainable development goals, temperature in line with the Paris Agreement...).

### ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used to demonstrate the promotion of environmental and/or social characteristics are :

- ESG profile (ESG rating, rating trends and sector breakdown)

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- Carbon intensity (deviation from indices, sectoral contribution and identification of major contributors)
- Transition profile (reduction targets, green share, categories of activities in transition, etc.)
- Governance: representation of women on the board of directors
- Sustainable Development Goals (SDGs): percentage aligned with the SDGs.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

A sustainable investment is analyzed against three pillars: (i) **its contribution to an environmental or social objective**, (ii) doing so without causing significant harm and (iii) applying good governance practices.

The Master Fund's Management Company's definition is based on data provided by its provider MSCI ESG Research. Additional information relating to the Master Fund's Management Company's definition of sustainable investment is available on its website : <https://am.fr.rothschildandco.com/en/regulatory-information/>

For private issuers, the approach to sustainable investment takes into account:

- the overall positive contribution of companies through their contributing revenues, i.e. linked to activities with positive impacts on the environment or the community (clean energy, energy efficiency, access to healthcare, ...) or their sustainable debt issues (Green, Social, Sustainable Bonds);
- Contribution to environmental objectives, such as reducing emissions in line with the Paris Agreement or reducing water consumption;
- Contribution to social goals, through alignment with the UN Sustainable Development Goals #5 - gender equality, #8 - decent work and economic growth or #10 - reduced inequality.

Further details can be found in the document "Definition of Sustainable Investment" available at: <https://am.fr.rothschildandco.com/en/regulatory-information/>

For public issuers, the approach to sustainable investment takes into account:

- The overall positive contribution of governments through their sustainable debt issues (Green, Social, Sustainable Bonds);
- The positive environmental contribution: Signatory to the Paris Agreement or the United Nations Convention on Biological Diversity;
- The positive social contribution: Performance in terms of equality (GINI index) and freedom of the press (Freedom House).

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to qualify as sustainable, an investment must not cause significant harm to the various environmental or social objectives to which it intends to contribute.

To ensure that the financial product's sustainable investments will not significantly harm an environmental or social objective, the Master Fund's Management Company has defined a "DNSH" procedure for sustainable investments, including:

- Sectoral and normative exclusions that reduce its exposure to social and environmental harm
- Consideration of the mandatory Principal Adverse Impacts (PAI) of these investments on sustainability factors.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The Master Fund's Management Company also uses ESG ratings in its approach as a minimum safeguard for overall sustainability performance.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

The mandatory PAI are taken into account within the Master Fund's Management Company's definition of sustainable investments, through:

- Sectoral and normative exclusions, including compliance with minimum guarantees, through disqualifying PAI:
  - o PAI 10 – Violations of the United Nations Global Compact principles and the OECD Guidelines for Multinational Enterprises, for private issuers;
  - o PAI 14 – Exposure to controversial weapons, for private issuers;
  - o PAI 16 – Investee countries subject to social violations, for public issuers;
- A proprietary quantitative scoring model, integrating mandatory PAI.

Further details on the scoring model can be found in the document "Definition of Sustainable Investment" available at: <https://am.fr.rothschildandco.com/en/regulatory-information/>

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

In its definition of sustainable investment for private issuers, the Master Fund's Management Company checks for violations of the United Nations Global Compact (UNGC) and the OECD Guidelines for Multinational Enterprises. To this aim, the Master Fund's Management Company includes a global controversy indicator that measures the company's historical and current involvement in violations of international standards. The following normative frameworks are considered: the United Nations Global Compact (UNGC), the United Nations Guiding Principles on Business and Human Rights (UNGP on business and human rights), the International Labour Organization (ILO) Conventions and the OECD Guidelines for Multinational Enterprises.

In addition, and at the level of all its investments, the Master Fund's Management Company excludes companies that are in violation of the ten fundamental principles of the United Nations Global Compact (UNGC).

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes

No

Rothschild & Co Asset Management has identified the main negative impacts (PAIs) on sustainability factors on which it seeks to focus its efforts and resources to deploy its responsible investment approach as a priority:

- Private issuers :
  - Climate change
    - Greenhouse gas emissions and intensity, scopes 1 and 2 (PAI 1 & 3)
    - Fossil fuel involvement (PAI 4)
    - Exposure to issuers not committed to the Paris Agreement (optional climate PAI 4)
  - Human rights, business ethics and respect for human dignity
    - Violation of basic ethical standards (PAI 10)
    - Gender diversity in governance bodies (PAI 13)
    - Involvement in controversial weapons (PAI 14)
    - Exposure to issuers with weak anti-corruption processes (optional social/human rights PAI 15)
- Sovereign issuers :
  - Human rights, business ethics and respect for human dignity
    - Exposure to countries with human rights violations and subject to human rights sanctions (PAI 16)

In considering the mandatory PAIs and defining optional and priority PAIs, the Master Fund's Management Company has used the methodology and data of its external provider, MSCI ESG Research.

The consideration of negative impacts is operationally implemented through all the elements of the sustainable approach of the Master Fund's Management Company: exclusion policy, analysis and selection process integrating ESG criteria, engagement approach and ESG reporting. For this product, the Master Fund's Management Company reports annually on all mandatory and optional PAIs chosen for Rothschild & Co Asset Management.

More details on Rothschild & Co Asset Management's definition of sustainable investments are available at: <https://am.fr.rothschildandco.com/stock/lib/ESG/2022/Investissements%20durables.pdf>

Rothschild & Co Asset Management's Policy on addressing Principal Adverse Impact is available on the following website:

<https://am.fr.rothschildandco.com/en/responsible-investing/documentation/>



## What investment strategy does this financial product follow?

The Master Fund invests in transferable debt securities, fixed, variable and floating-rate bonds, subordinated bonds (including a maximum of 20% of its net assets in convertible contingent bonds), profit-sharing securities, index-linked bonds, rated invest grade, and up to 10% in convertible bonds. These transferable debt securities may be of any maturity, from private and/or public issuers in any geographical area (including a maximum of 10% from non-OECD countries, including emerging countries). The Master Fund will also be able to invest up to 10% in high-yield bonds (sub-investment grade bonds), and up to a maximum of 100% of its net assets in callable and puttable bonds. The Master Fund may hold equities for up to a maximum of 5% of its net assets after exercising a conversion option attached to the convertible bonds or as a result of the restructuring of an issuer's debt. Please refer to the Prospectus for more details.

## ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

### **Compliance with the Master Fund's Management Company's common exclusion framework**

- Regulatory exclusions: controversial weapons and international sanctions
- Discretionary exclusions: United Nations Global Compact (UNGC) and thermal coal

### **The integration of material ESG criteria into the analysis process**

- A combined evaluation of financial and ESG criteria: the integration of ESG criteria is adapted to the analysis process of each management expertise and can be applied at the sector level as well as at the level of the issuer, the Master Fund's Management Company and/or the investment fund, depending on the asset class.

### **Compliance with sustainable requirements at portfolio level**

- Minimum ESG rating target of BBB
- Minimum taxonomical and sustainable investments
- Minimum ESG data coverage: The proportion of positions analyzed on the basis of non-financial criteria will be higher than:
  - 90% of the portion of net assets consisting of debt securities and money market instruments rated investment grade and sovereign debt issued by developed countries;
  - 75% of the portion of net assets consisting of debt securities and money market instruments rated high yield and sovereign debt issued by non-OECD countries.

### **Active engagement**

- Targeted dialogue, particularly on the priority thematic of the Master Fund's Management Company (climate transition, inclusion and fair transition, etc.) and controversies,
- A responsible voting policy on 100% of the equity perimeter,
- Active participation in several working groups (Ademe, Finance for Tomorrow, AFG, Climate Action 100+, etc.) on the strategies implemented in the portfolios (impact, biodiversity, fossil fuels, just transition, etc.)

ESG ratings are mainly sourced from a data provider MSCI ESG Research, scoring companies from CCC to AAA (AAA being the highest rating).

As ESG data is fully integrated into the Master Fund's Management Company's operational systems, ESG monitoring is carried out continuously. The entire value chain of the Master Fund's Management Company (compliance, risk, investment management and reporting teams) is covered by the same ESG data feed (updated quarterly), with ESG constraints and requirements coded into all systems, allowing for monitoring on a daily basis in real time.

Common exclusions are updated, coded with pre-trade blocking in operational systems by compliance. Specific constraints and sustainable targets at product level are the responsibility of the risk department.

Management teams have access to ESG data and can monitor their sustainability constraints on a daily basis via their Bloomberg portal. The impacts of portfolio movements on sustainability requirements are continuously reviewed by investment managers as part of their portfolio allocation.

In addition, regular investment committees provide an opportunity to review the sustainability risks and ESG issues of a specific issuer and/or portfolio.

Finally, warnings covering rating changes and ESG controversies are set up by MSCI ESG Research for investment teams and monitoring departments, in addition to news monitoring by analysts. A detailed process for monitoring controversies is available in the PAI Policy.

ESG reports are produced with the same ESG data flow and subsequently validated by investment teams.

***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The reduction of the initial investment universe does not translate into a pre-determined selectivity rate at the onset of the investment process. However, regulatory exclusions, and subsequently the discretionary exclusions of the Master Fund's Management Company, are applied to the investment universe.

***What is the policy to assess good governance practices of the investee companies?***

To determine if and when a company is not, or is no longer, adopting good governance practices, the Master Fund's Management Company has put in place a two-level process:

**Normative screening**

In line with its common exclusion framework, issuers, both sovereign and private, involved in international sanctions or in violation of the UN Global Compact are excluded from the initial investment universes of the Master Fund's Management Company for all its investment vehicles.

**Assessment of good governance practices**

Portfolio managers and research teams are responsible for assessing and monitoring the governance practices of the companies in which they invest.

In assessing good governance practices, the investment teams consider, among other things: MSCI ESG Research governance data, adherence to international codes of conduct (e.g. UNGC signatory), level of independence and diversity among the board of directors, controversies and history of senior management and board representatives.

In MSCI ESG Research's ESG ratings, the governance pillar is considered according to their methodology as material for all sectors and is weighted at minimum 33% in the calculation of the final ESG score for all issuers. This governance pillar is based on 2 sub-themes: Corporate governance (structure and control, board of directors, remuneration and accounting) and corporate behaviour (business ethics and tax transparency). Within these categories, topics such as sound management structures, remuneration and employee relations issues and tax compliance are addressed.

The Master Fund's Management Company believes that the assessment of good governance practices is an ongoing process, and investment teams are encouraged to engage directly with companies to obtain additional information, address concerns and/or remedy issues related to identified governance practices or associated controversies.



**What is the asset allocation planned for this financial product?**

**Good Governance**  
practices include sound management structures, employee relations, remuneration of staff and tax compliance.

### Asset Allocation

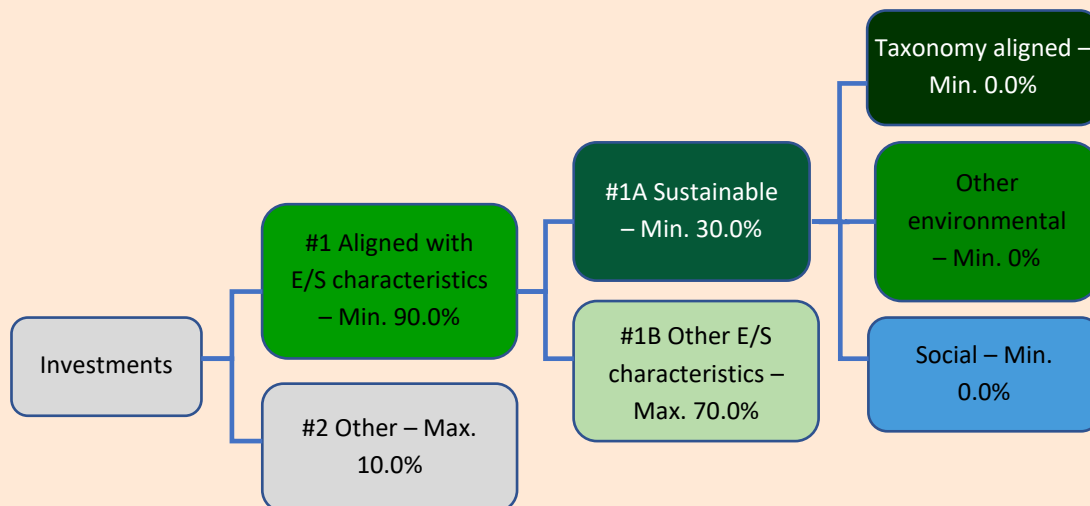
describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

-**turnover** reflecting the share of revenue from green activities of investee companies

-**capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

-**operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The Subcategory **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The Master Fund commits to a minimum sustainable investment, without pre-defining an allocation between environmental and social objectives, which explains the 0% minimums on these 2 pillars.

The asset allocation figures presented above are pre-contractual maximums or minimums expressed as a percentage of the net assets and do not anticipate a target allocation. For information on realized percentages, please refer to the annual report.

The “#2 Other” category includes securities that are not analyzed according to ESG criteria, as well as in ancillary liquid assets.

In accordance with Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy), the “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities, which represent a minimum alignment commitment of 0% of investments.

The investments underlying the remaining portion of the Master Fund do not take into account the EU criteria for environmentally sustainable economic activities.

A proportion of the net assets of the Master Fund may be invested in instruments that do not promote environmental or social characteristics (liquidity, UCIs or derivatives). They constitute technical and support instruments for the financial objective of the Master Fund (hedging, liability movements, etc.). Minimum ESG safeguards are applied in line with our sustainable approach, detailed in the answer to the question dedicated to "other" investments below.

### ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Interest-rate and currency derivatives neither participate in nor affect the environmental or social characteristics promoted by the financial product. Derivatives on other asset classes do not participate in the



promotion of environmental and social characteristics, but may affect them. Derivatives are not taken into account in the ratios presented above.

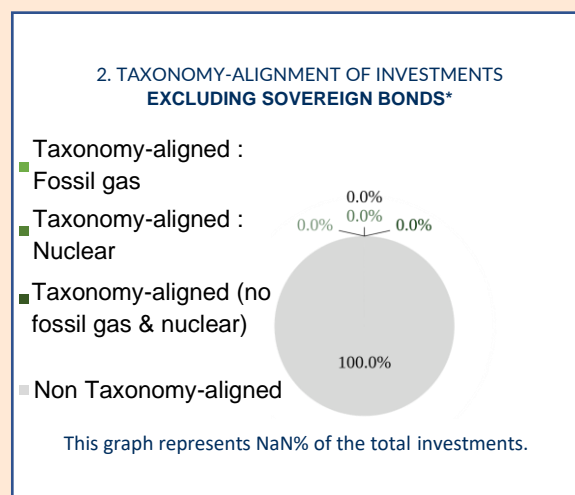
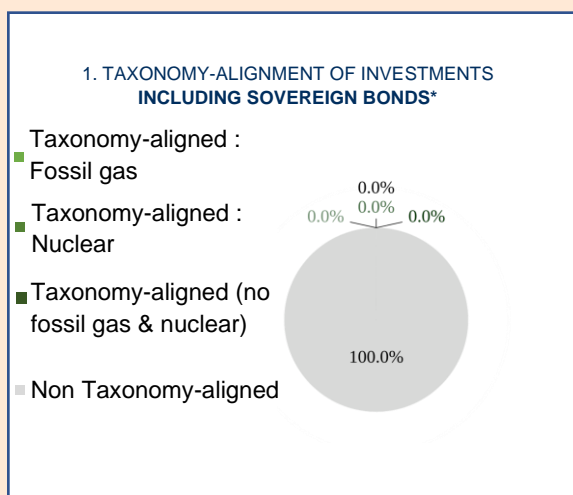


### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

#### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the UE Taxonomy<sup>1</sup>?

- Yes
- In fossil gas                       In nuclear energy
- No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

#### What is the minimum share of investments in transitional and enabling activities?

The minimum share of enabling and transitional activities is 0%.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Within the minimum invested in sustainable investments, the minimum share with an environmental objective not aligned with the taxonomy is 0%. Indeed, the Master Fund commits to a minimum sustainable investment, without pre-defining an allocation between environmental and social objectives.



### What is the minimum share of socially sustainable investments?

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the UE Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the UE Taxonomy are laid down in Commission Delegated Regulation (UE) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities**, directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

Within the minimum invested in sustainable investments, the minimum share with a social objective is 0%. Indeed, the Master Fund commits to a minimum sustainable investment, without pre-defining an allocation between environmental and social objectives.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

A proportion of the net assets of the Master Fund may be invested in securities that are not analyzed according to ESG criteria. Nevertheless, they all respect the common exclusion framework of the Master Fund’s Management Company, thus ensuring a minimum of ESG principles.

These securities held in the portfolio, within the allocation limits set out in the prospectus, are used to pursue the investment objective of the Master Fund.

The Master Fund may hold ancillary liquid assets, up to 10% of its net assets. Liquid assets may be invested in money market funds managed by the Master Fund’s Management Company, which respect its ESG policy and for which it has full transparency.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

**How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A

**How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A

**How does the designated index differ from a relevant broad market index?**

N/A

**Where can the methodology used for the calculation of the designated index be found?**

N/A

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote



Where can I find more product specific information online?

Additional details on this financial product can be found in the prospectus, the ESG policy and the Principal Adverse Impacts policy and Sustainability Risk policies which are available on the Master Fund’s Management Company’s website: <https://am.fr.rothschildandco.com/en/responsible-investing/documentation/>

**Sustainable Investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significant harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective**: N/A

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective**: N/A

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30.00% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

Through its internal research and MSCI ESG Research ratings, the Investment Manager considers a broad spectrum of criteria on the E (physical risks related to climate change, water stress, waste management, etc.) and S (employee training, product safety, auditing of production practices, etc.) pillars as part of its generalist approach.

In addition, the investment teams seek to identify relevant material elements as part of the ex-ante analysis of the ESG profile and the assessment of the ex-post sustainable trajectory of the issuer and/or the industry. Based on the major dependencies and impacts, the following elements can be also considered: controversies (typology, severity and recurrence), externalities (carbon/toxic emissions, water consumption, biodiversity destruction, accidents, layoffs, strikes, precarious contracts, fraud...), and contributions (taxonomic alignment, participation in the United Nations "SDGs" sustainable development goals, temperature in line with the Paris Agreement...).

**What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicators used to demonstrate the promotion of environmental and/or social characteristics are :

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- ESG profile (ESG rating, rating trends and sector breakdown)
- Carbon intensity (deviation from indices, sectoral contribution and identification of major contributors)
- Transition profile (reduction targets, green share, categories of activities in transition, etc.)
- Governance: representation of women on the board of directors
- Sustainable Development Goals (SDGs): percentage aligned with the SDGs.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

### ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

A sustainable investment is analyzed against three pillars: (i) **its contribution to an environmental or social objective**, (ii) doing so without causing significant harm and (iii) applying good governance practices.

The Investment Manager's definition is based on data provided by its provider MSCI ESG Research. Additional information relating to the Investment Manager's definition of sustainable investment is available on its website : <https://am.fr.rothschildandco.com/en/regulatory-information/>

For private issuers, the approach to sustainable investment takes into account:

- the overall positive contribution of companies through their contributing revenues, i.e. linked to activities with positive impacts on the environment or the community (clean energy, energy efficiency, access to healthcare, ...) or their sustainable debt issues (Green, Social, Sustainable Bonds);
- Contribution to environmental objectives, such as reducing emissions in line with the Paris Agreement or reducing water consumption;
- Contribution to social goals, through alignment with the UN Sustainable Development Goals #5 - gender equality, #8 - decent work and economic growth or #10 - reduced inequality.

Further details can be found in the document "Definition of Sustainable Investment" available at: <https://am.fr.rothschildandco.com/en/regulatory-information/>

For public issuers, the approach to sustainable investment takes into account:

- The overall positive contribution of governments through their sustainable debt issues (Green, Social, Sustainable Bonds);
- The positive environmental contribution: Signatory to the Paris Agreement or the United Nations Convention on Biological Diversity;
- The positive social contribution: Performance in terms of equality (GINI index) and freedom of the press (Freedom House).

### ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to qualify as sustainable, an investment must not cause significant harm to the various environmental or social objectives to which it intends to contribute.

To ensure that the financial product's sustainable investments will not significantly harm an environmental or social objective, the Investment Manager has defined a "DNSH" procedure for sustainable investments, including:

- Sectoral and normative exclusions that reduce its exposure to social and environmental harm
- Consideration of the mandatory Principal Adverse Impacts (PAI) of these investments on sustainability factors.

The Investment Manager also uses ESG ratings in its approach as a minimum safeguard for overall sustainability performance.

### *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The mandatory PAI are taken into account within the Investment Manager's definition of sustainable investments, through:

- Sectoral and normative exclusions, including compliance with minimum guarantees, through disqualifying PAI:
- - o PAI 10 – Violations of the United Nations Global Compact principles and the OECD Guidelines for Multinational Enterprises, for private issuers;
  - o PAI 14 – Exposure to controversial weapons, for private issuers;
  - o PAI 16 – Investee countries subject to social violations, for public issuers;
- A proprietary quantitative scoring model, integrating mandatory PAI.

Further details on the scoring model can be found in the document "Definition of Sustainable Investment" available at: <https://am.fr.rothschildandco.com/en/regulatory-information/>

### *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

In its definition of sustainable investment for private issuers, the Investment Manager checks for violations of the United Nations Global Compact (UNGC) and the OECD Guidelines for Multinational Enterprises. To this aim, the Investment Manager includes a global controversy indicator that measures the company's historical and current involvement in violations of international standards. The following normative frameworks are considered: the United Nations Global Compact (UNGC), the United Nations Guiding Principles on Business and Human Rights (UNGP on business and human rights), the International Labour Organization (ILO) Conventions and the OECD Guidelines for Multinational Enterprises.

In addition, and at the level of all its investments, the Investment Manager excludes companies that are in violation of the ten fundamental principles of the United Nations Global Compact (UNGC).

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes

No

Rothschild & Co Asset Management has identified the main negative impacts (PAIs) on sustainability factors on which it seeks to focus its efforts and resources to deploy its responsible investment approach as a priority :

- o **Private issuers :**
  - Climate change
    - Greenhouse gas emissions and intensity, scopes 1 and 2 (PAI 1 & 3)
    - Fossil fuel involvement (PAI 4)
    - Exposure to issuers not committed to the Paris Agreement (optional climate PAI 4)
  - Human rights, business ethics and respect for human dignity
    - Violation of basic ethical standards (PAI 10)
    - Gender diversity in governance bodies (PAI 13)
    - Involvement in controversial weapons (PAI 14)
    - Exposure to issuers with weak anti-corruption processes (optional social/human rights PAI 15)
- o **Sovereign issuers :**
  - Human rights, business ethics and respect for human dignity
    - Exposure to countries with human rights violations and subject to human rights sanctions (PAI 16)

In considering the mandatory PAIs and defining optional and priority PAIs, the Investment Manager has used the methodology and data of its external provider, MSCI ESG Research.

The consideration of negative impacts is operationally implemented through all the elements of the Investment Manager's sustainable approach: exclusion policy, analysis and selection process integrating ESG criteria, engagement approach and ESG reporting. For this product, the Investment Manager reports annually on all mandatory and optional PAIs chosen for Rothschild & Co Asset Management.

More details on Rothschild & Co Asset Management's definition of sustainable investments are available at: <https://am.fr.rothschildandco.com/stock/lib/ESG/2022/Investissements%20durables.pdf>

Rothschild & Co Asset Management's Policy on addressing Principal Adverse Impact is available on the following website:

<https://am.fr.rothschildandco.com/en/responsible-investing/documentation/>



## What investment strategy does this financial product follow?

The Sub-Fund invests in fixed-income transferable debt securities or convertible bonds, equities or equity related securities and in UCITS and/or other UCI (up to 10% of the net assets) having as main objective to invest in the above-mentioned asset classes, depending on market opportunities. Please refer to the Prospectus for more details.

### ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

#### **Compliance with the Investment Manager's common exclusion framework**

- Regulatory exclusions: controversial weapons and international sanctions
- Discretionary exclusions: United Nations Global Compact (UNGC) and thermal coal

#### **The integration of material ESG criteria into the analysis process**

- A combined evaluation of financial and ESG criteria: the integration of ESG criteria is adapted to the analysis process of each management expertise and can be applied at the sector level as well as at the level of the issuer, the investment manager and/or the investment fund, depending on the asset class.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

### **Compliance with sustainable requirements at portfolio level**

- Minimum ESG rating target of BBB
- Minimum taxonomical and sustainable investments
- Minimum ESG data coverage: The proportion of positions analyzed on the basis of non-financial criteria will be higher than:
  - i. 90% of the portion of net assets consisting of shares issued by companies with a capitalization of more than €10 billion and having their registered offices located in developed countries, debt securities and money market instruments rated investment grade, and sovereign debt issued by developed countries.
  - ii. 75% of the portion of net assets consisting of shares issued by companies with a capitalization of less than €10 billion, or whose registered office is located in non-OECD countries, as well as debt securities and money market instruments rated high yield and sovereign debt issued by non-OECD countries.
- The portfolio's ESG rating is higher than the rating of the initial investment universe.

### **Active engagement**

- Targeted dialogue, particularly on the Investment Manager's priority thematic (climate transition, inclusion and fair transition, etc.) and controversies,
- A responsible voting policy on 100% of the equity perimeter,
- Active participation in several working groups (Ademe, Finance for Tomorrow, AFG, Climate Action 100+, etc.) on the strategies implemented in the portfolios (impact, biodiversity, fossil fuels, just transition, etc.)

ESG ratings are mainly sourced from a data provider MSCI ESG Research, scoring companies from CCC to AAA (AAA being the highest rating).

As ESG data is fully integrated into the Investment Manager's operational systems, ESG monitoring is carried out continuously. The Investment Manager's entire value chain (compliance, risk, investment management and reporting teams) is covered by the same ESG data feed (updated quarterly), with ESG constraints and requirements coded into all systems, allowing for monitoring on a daily basis in real time.

Common exclusions are updated, coded with pre-trade blocking in operational systems by compliance. Specific constraints and sustainable targets at product level are the responsibility of the risk department.

Management teams have access to ESG data and can monitor their sustainability constraints on a daily basis via their Bloomberg portal. The impacts of portfolio movements on sustainability requirements are continuously reviewed by investment teams as part of their portfolio allocation.

In addition, regular investment committees provide an opportunity to review the sustainability risks and ESG issues of a specific issuer and/or portfolio.

Finally, warnings covering rating changes and ESG controversies are set up by MSCI ESG Research for investment teams and monitoring departments, in addition to news monitoring by analysts. A detailed process for monitoring controversies is available in the PAI Policy.

ESG reports are produced with the same ESG data flow, and subsequently validated by investment teams.

### ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The reduction of the initial investment universe does not translate into a pre-determined selectivity rate at the onset of the investment process. However, regulatory exclusions, and subsequently the discretionary exclusions of the Investment Manager, are applied to the investment universe.

### ***What is the policy to assess good governance practices of the investee companies?***

**Good Governance**  
practices include sound management structures, employee relations, remuneration of staff and tax compliance.

To determine if and when a company is not, or is no longer, adopting good governance practices, the Investment Manager has put in place a two-level process:

Normative screening

In line with its common exclusion framework, issuers, both sovereign and private, involved in international sanctions or in violation of the UN Global Compact are excluded from the Investment Manager’s initial investment universes for all its investment vehicles.

Assessment of good governance practices

Portfolio managers and research teams are responsible for assessing and monitoring the governance practices of the companies in which they invest.

In assessing good governance practices, the investment teams consider, among other things: MSCI ESG Research governance data, adherence to international codes of conduct (e.g. UNGC signatory), level of independence and diversity among the board of directors, controversies and history of senior management and board representatives.

In MSCI ESG Research's ESG ratings, the governance pillar is considered according to their methodology as material for all sectors and is weighted at minimum 33% in the calculation of the final ESG score for all issuers. This governance pillar is based on 2 sub-themes: Corporate governance (structure and control, board of directors, remuneration and accounting) and corporate behaviour (business ethics and tax transparency). Within these categories, topics such as sound management structures, remuneration and employee relations issues and tax compliance are addressed.

The Investment Manager believes that the assessment of good governance practices is an ongoing process, and investment teams are encouraged to engage directly with companies to obtain additional information, address concerns and/or remedy issues related to identified governance practices or associated controversies.

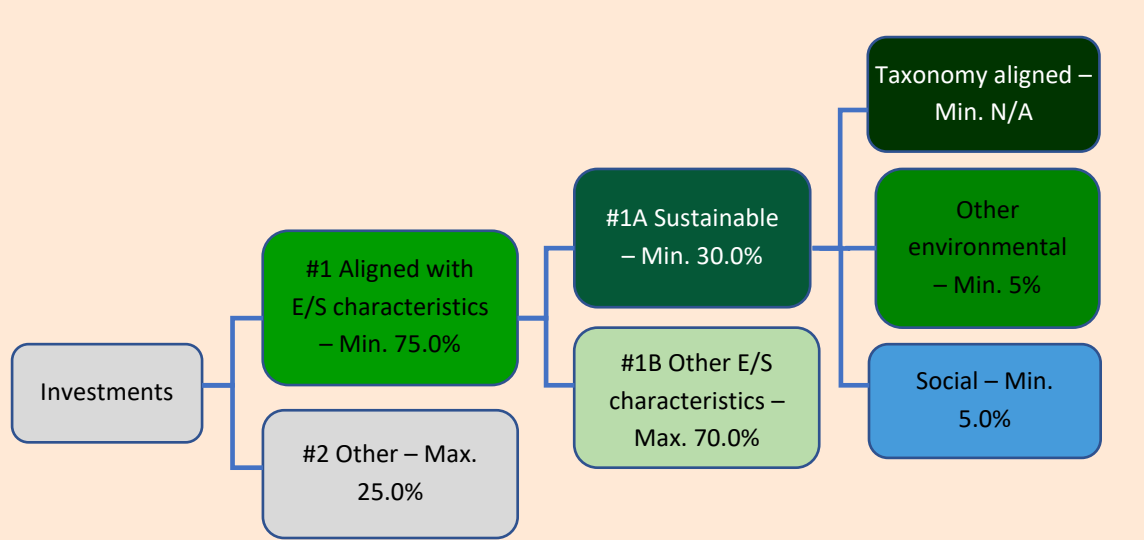


What is the asset allocation planned for this financial product?

**Asset Allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- turnover** reflecting the share of revenue from green activities of investee companies
- capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The Subcategory **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.



The asset allocation figures presented above are pre-contractual maximums or minimums expressed as a percentage of the net assets and do not anticipate a target allocation.

For information on realized percentages, please refer to the annual report. The “#2 Other” category includes securities that are not analyzed according to ESG criteria, as well as in ancillary liquid assets.

A proportion of the net assets of the financial product may be invested in instruments that do not promote environmental or social characteristics (liquidity, UCIs or derivatives). They constitute technical and support instruments for the financial objective of the Sub-Fund (hedging, liability movements, etc.). Minimum ESG safeguards are applied in line with our sustainable approach, detailed in the answer to the question dedicated to "other" investments below.

**How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Interest-rate and currency derivatives neither participate in nor affect the environmental or social characteristics promoted by the financial product. Derivatives on other asset classes do not participate in the promotion of environmental and social characteristics, but may affect them. Derivatives are not taken into account in the ratios presented above.



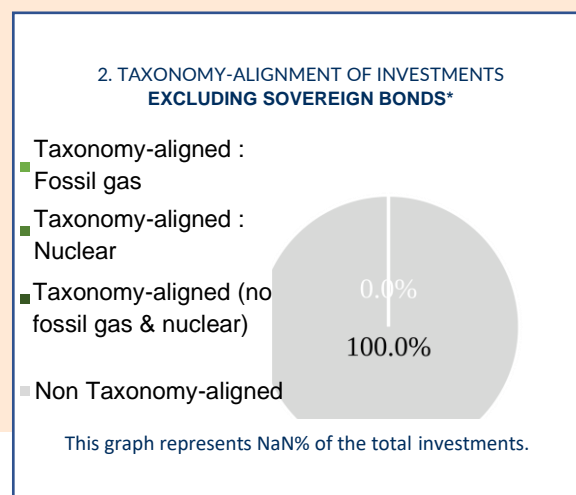
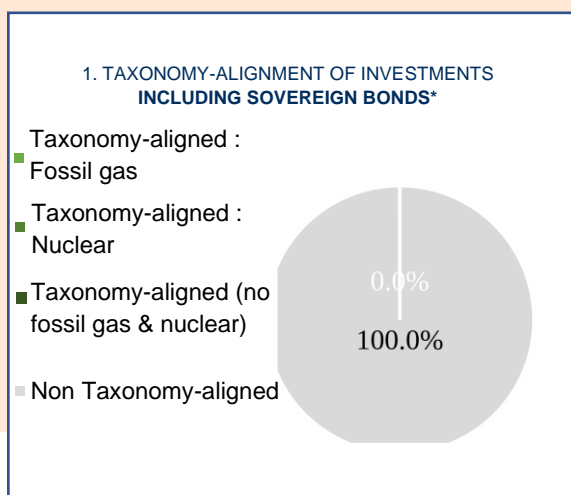
**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The product does not commit to a minimum alignment of sustainable investments with the EU Taxonomy.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the UE Taxonomy<sup>1</sup>?**

- Yes
  - In fossil gas
  - In nuclear energy
- No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the UE Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the UE Taxonomy are laid down in Commission Delegated Regulation (UE) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities**, directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

### ***What is the minimum share of investments in transitional and enabling activities?***

The minimum share of enabling and transitional activities is 0%.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



### ***What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?***

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 5%.



### ***What is the minimum share of socially sustainable investments?***

The minimum share of socially sustainable investments is 5%.



### ***What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?***

A proportion of the net assets of the financial product may be invested in securities that are not analysed according to ESG criteria. Nevertheless, they all respect the Investment Manager's common exclusion framework, thus ensuring a minimum of ESG principles.

These securities held in the portfolio, within the allocation limits set out in the prospectus, are used to pursue the investment objective of the financial product.

The financial product may hold ancillary liquid assets, up to 20% of its net assets. Liquid assets may be invested in money market funds managed by the Investment Manager, which respect its ESG policy and for which it has full transparency.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote

***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

***How does the designated index differ from a relevant broad market index?***

Not applicable.

***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.



**Where can I find more product specific information online?**

Additional details on this financial product can be found in the prospectus, the ESG policy and the Principal Adverse Impacts policy and Sustainability Risk policy which are available on the Investment Manager's website: <https://am.fr.rothschildandco.com/en/responsible-investing/documentation/>

**Sustainable Investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significant harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective**: N/A

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective**: N/A

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 5.00% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

Through the information collected via the Investment Manager's proprietary questionnaire or its exchanges with the management companies of the underlying funds and data available in MSCI ESG Research, we consider a large spectrum of criteria:

- At the level of the management company of the underlying funds:
  - Environmental pillar: management company's environmental policy, exclusion policies relating to thermal coal, carbon footprint etc.
  - Social pillar: human resource management, UN PRI signatory, exclusion policy relating to controversial weapons and to fundamental principles, etc.
  - Governance pillar: board independence, remuneration policy, etc.
- At the level of the underlying funds:
  - integration of ESG criteria in the investment process, ESG rating of the fund, carbon intensity calculation, labels, etc.

### **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicators used to demonstrate the promotion of environmental and/or social characteristics are :

- ESG profile (ESG rating and by E-S-G pillar, rating trends and breakdown by underlying fund)

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- Carbon intensity (deviation from indices, sectoral contribution and identification of major underlying funds contributors)
- Transition profile (exposure to fossil fuel and coal reserves, transition objectives of invested companies).

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

A sustainable investment is analyzed against three pillars: (i) its contribution to an environmental or social objective, (ii) doing so without causing significant harm and (iii) applying good governance practices.

The financial product invests in underlying funds, which can integrate a portion of sustainable investments as defined under SFDR. These sustainable investments comply with the definition of the underlying funds' management companies, which may differ from the Investment Manager's own interpretation. Within its analysis process, the Investment Manager duly considers the 3 main components, including the contribution to environmental or social objectives, and to the relevance of the approach, minimum commitments and quantitative thresholds in order to measure the positive contribution, as established by the management companies for the underlying funds.

The Investment Manager integrates, at the level of the financial product, the underlying funds' alignments to the European taxonomy and their objectives, which constitute a sustainable investment in the sense of the European regulation.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Within its analysis process, the Investment Manager strives to ensure that the sustainable investment definition of the management companies of the underlying funds complies with the "do not significant harm" principle.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

Within its analysis process, the Investment Manager strives to ensure that principal adverse impacts (PAI) are integrated in the sustainable investment definition of the management companies of the underlying funds. This definition must take into account the mandatory PAI, or as applicable use proxies or qualitative data on the same thematic.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

Within its analysis process, the Investment Manager strives to ensure that the sustainable investment definition of the management companies of the underlying funds is aligned with the normative framework of the OECD, United Nations, and the International Labour Organization (ILO).

Furthermore, for all of its investments, the Investment Manager integrates in its fund selection process the analysis of the exclusion policy relating to the fundamental principles of the United Nations Global Compact (UNGC) implemented by the management companies of underlying funds.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



## Does this financial product consider principal adverse impacts on sustainability factors?

Yes

No

Rothschild & Co Asset Management has identified the main negative impacts (PAIs) on sustainability factors on which it seeks to focus its efforts and resources to deploy its responsible investment approach as a priority:

- Private issuers:
  - Climate Change
    - Greenhouse gas emissions and intensity, scopes 1 and 2 (PAI 1 & 3)
    - Fossil fuel involvement (PAI 4)
    - Exposure to issuers not committed to the Paris Agreement (optional climate PAI 4)
  - Human rights, business ethics and respect for human dignity
    - Violation of basic ethical standards (PAI 10)
    - Gender diversity in governance bodies (PAI 13)
    - Involvement in controversial weapons (PAI 14)
    - Exposure to issuers with weak anti-corruption processes (optional social/human rights PAI 15)
- Sovereign issuers:
  - Human rights, business ethics and respect for human dignity
    - Exposure to countries with human rights violations and subject to human rights sanctions (PAI 16)

In considering the mandatory PAIs and defining optional and priority PAIs, the Investment Manager has used the methodology and data of its external provider, MSCI ESG Research. The consideration of negative impacts is operationally implemented through all the elements of the Investment Manager’s sustainable approach: exclusion policy, analysis and selection process integrating ESG criteria, engagement approach and ESG reporting. For this product, the Investment Manager reports annually on all mandatory and optional PAIs chosen for Rothschild & Co Asset Management.

More details on Rothschild & Co Asset Management's definition of sustainable investments are available at: <https://am.fr.rothschildandco.com/stock/lib/ESG/2022/Investissements%20durables.pdf>

Rothschild & Co Asset Management's Policy on addressing Principal Adverse Impact is available on the following website: <https://am.fr.rothschildandco.com/en/responsible-investing/documentation/>



## What investment strategy does this financial product follow?

The Sub-Fund will mainly invest in UCITS and/or other UCIs including listed UCIs/ETFs (Exchange Traded Funds) providing exposure to equity securities and/or fixed income securities. Please refer to the Prospectus for more details.

## ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

### **Compliance with the Investment Manager's common exclusion framework**

- Regulatory exclusions: controversial weapons and international sanctions
- Discretionary exclusions: United Nations Global Compact (UNGC) and thermal coal

### **The integration of material ESG criteria into the analysis process**

- A combined evaluation of financial and ESG criteria: the integration of ESG criteria is adapted to the analysis process of each management expertise and can be applied at the sector level as well as at the issuer level, at the investment manager and/or investment fund level, depending on the asset class.

The Investment Manager has established a unique due diligence questionnaire, significantly integrating ESG criteria. This integration allows for a 360 degrees analysis encompassing 3 areas of analysis, i.e. ESG/SRI, investment and operations. It is assessed at management company and fund level. In addition to its internal analysis, the Investment Manager establishes a score card based on a proprietary methodology, the objective of which is to guide analysts in their ESG assessments.

### **Compliance with sustainable requirements at portfolio level**

- Minimum ESG rating target of BBB
- Minimum taxonomical investments and sustainable investments
- Minimum ESG data coverage (60%)
- Minimum of underlying funds qualifying as SFDR article 8 or 9 (60%)

### **Active engagement**

- Dialogue with management companies of underlying funds in the context of our due diligences, integrated to our fund selection process, encouraging transparency, labeling and good practises relating to the integration of sustainability issues
- Active participation in several working groups (Ademe, Finance for Tomorrow, AFG, Climate Action 100+, etc.) on the strategies implemented in the portfolios (impact, biodiversity, fossil fuels, fair transition, etc.)

ESG ratings are mainly sourced from a data provider MSCI ESG Research, scoring companies from CCC to AAA (AAA being the highest rating).

As ESG data is fully integrated into the Investment Manager's operational systems, ESG monitoring is carried out continuously. The Investment Manager's entire value chain (compliance, risk, investment management and reporting teams) is covered by the same ESG data feed (updated quarterly), with ESG constraints and requirements coded into all systems, allowing for monitoring on a daily basis in real time. Specific constraints and sustainable targets at product level are the responsibility of the risk department.

Management teams have access to ESG data and can monitor their sustainability constraints on a daily basis via their Bloomberg portal. The impacts of portfolio movements on sustainability requirements are continuously reviewed by investment teams as part of their portfolio allocation.

In addition, regular investment committees provide an opportunity to review the sustainability risks and ESG issues of a specific fund and/or portfolio.

Finally, investment teams include the monitoring of controversies in their monitoring of underlying funds.

ESG reports are produced with the same ESG data flow, and then validated by investment teams.

## ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The reduction of the investment universe does not translate into a selectivity rate for a fund of fund. However, the investment universe is constrained by regulatory exclusions, and subsequently by the Investment Manager's discretionary exclusions.

## ***What is the policy to assess good governance practices of the investee companies?***

To determine good governance practices, the Investment Manager has put in place a two-level process:

### Normative screening

The Investment Manager's common exclusion framework applies to the Sub-Fund, which includes exclusions in relation to international sanctions and fundamental principles.

### Assessment of good governance practices

Portfolio managers and research teams are responsible for assessing and monitoring the governance practices of external management companies and of underlying funds in which the fund of fund invests.

In assessing good governance practices, the investment teams consider, among other things: the percentage of independent board members, the balance of power between the board and executive committee, the diversity within management bodies, the background of members, the remuneration structure, the experience and implication of the management on sustainability issues, etc. This assessment is carried out in particular during the Investment Manager's due diligence, and relies principally on information provided by the management companies, public data, MSCI ESG Research data and exchanges with the external management company.

The performance in terms of governance represents 29% of the global ESG score of the underlying fund's management company.

At the level of the underlying fund, the investment teams consider the independence of the underlying fund's board of directors, and its G pillar.



## **What is the asset allocation planned for this financial product?**



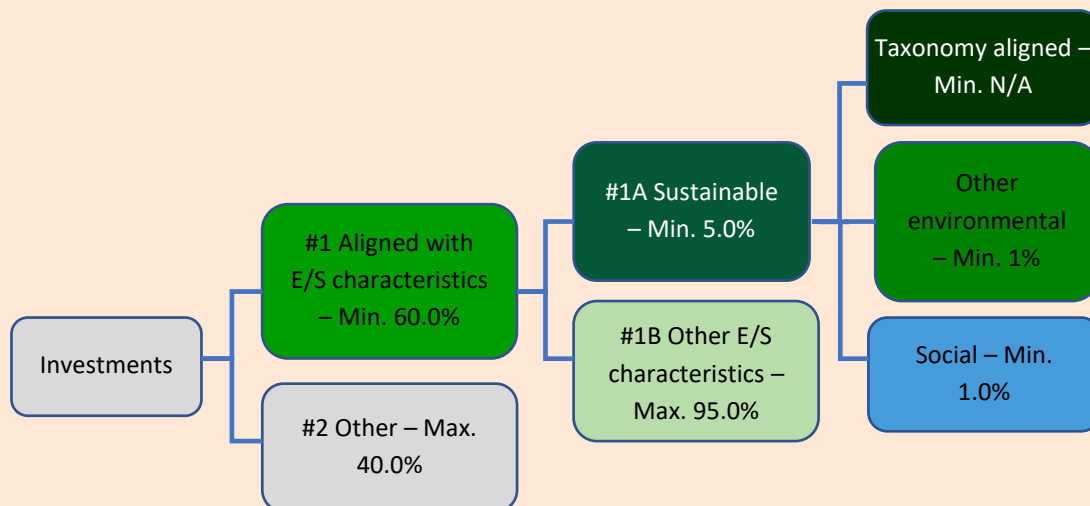
**Asset Allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

-**turnover** reflecting the share of revenue from green activities of investee companies

-**capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

-**operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The Subcategory **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The asset allocation figures presented above are pre-contractual minimums expressed as a percentage of net assets and do not constitute or anticipate a target allocation. For information on realized percentages, please refer to the annual report.

A proportion of the net assets of the financial product may be invested in instruments that do not promote environmental or social characteristics (liquidity, UCIs or derivatives). They constitute technical and support instruments for the financial objective of the Sub-Fund (hedging, liability movements, etc.). Minimum ESG safeguards are applied in line with our sustainable approach, detailed in the answer to the question dedicated to "other" investments below.

### ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Interest-rate and currency derivatives neither participate in nor affect the environmental or social characteristics promoted by the financial product. Derivatives on other asset classes do not participate in the promotion of environmental and social characteristics, but may affect them. Derivatives are not taken into account in the ratios presented above.



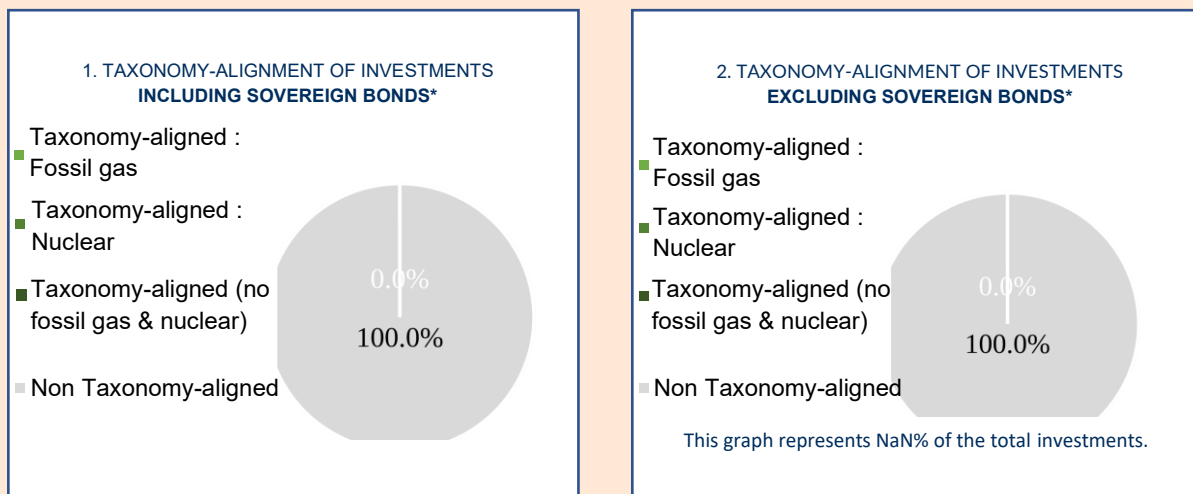
### ***To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?***

The product does not commit to a minimum alignment of sustainable investments with the EU Taxonomy.

## Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the UE Taxonomy<sup>1</sup>?

- Yes
- In fossil gas                       In nuclear energy
- No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

## What is the minimum share of investments in transitional and enabling activities?

The minimum share of enabling and transitional activities is 0%. The allocation between these two types of activities is not determined in advance.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Within the minimum invested in sustainable investments, the minimum share with an environmental objective not aligned with the taxonomy is 0%. Indeed, the product commits to a minimum sustainable investment, without pre-defining an allocation between environmental and social objectives.

## What is the minimum share of socially sustainable investments?

Within the minimum invested in sustainable investments, the minimum share with a social objective is 0%. Indeed, the product commits to a minimum sustainable investment, without pre-defining an allocation between environmental and social objectives.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the UE Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the UE Taxonomy are laid down in Commission Delegated Regulation (UE) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities**, directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.





**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

A proportion of the net assets of the financial product may be invested in funds that are not analyzed according to ESG criteria. Nevertheless, they all respect the Investment Manager’s common exclusion framework, thus ensuring a minimum of ESG principles.

These funds held in the portfolio, within the allocation limits set out in the prospectus, are used to pursue the investment objective of the financial product.

The financial product may hold ancillary liquid assets, up to 10% of its net assets.

Liquid assets may be invested in money market funds managed by the Investment Manager, which respect its ESG policy and for which it has full transparency.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No.

**How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable.

**How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable.

**How does the designated index differ from a relevant broad market index?**

Not applicable.

**Where can the methodology used for the calculation of the designated index be found?**

Not applicable.



**Where can I find more product specific information online?**

Additional details on this financial product can be found in the prospectus, the ESG policy and Principal Adverse Impacts policy and sustainability risk policy, which are available on the Investment Manager’s website: <https://am.fr.rothschildandco.com/en/responsible-investing/documentation/>

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote