

EdR Fund Bond Allocation

As of : **3-Mar-23**
Assets (euros) : **2 296 290 730 €**



Modified duration	1,99
Spread Duration	3,61
Yield *	6,19%
Average Rating *	BBB-

as of 03/03/2023	EdR Fund Bond Allocation (I share)	Reference Index ⁴
MtD ¹	-0,25%	-0,57%
YtD ²	-0,97%	-0,18%
1 Year	-5,80%	-13,93%
3 Years ³	-1,68%	-5,87%
5 Years ³	-0,62%	-1,93%

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

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

Market comments

The week is in the continuation of the trend started in February with new rising data on inflation, notably in Europe where it goes up to 9.3% in Germany, 6.1% in Spain and continues to accelerate to 7.2% in France.

Price pressure is even intensifying in the Euro area, as the Core CPI YoY stands at 5.6% (previously 5.3%). Despite its already very strong rise, German 10-year inflation break-even continues to rise. From its mid-January low (where it briefly fell below 2%), it rose sharply to 2.45 last Friday, and was up a further 22 basis points on the week to 2.67%.

The ECB's terminal rate expectations which were around 3.4% at the end of January are now close to 4%, which will put pressure on the ECB whose next meeting will be on March 16th, before the FED whose FOMC will be on March 22nd. Growth data was a little more mixed than recently with US and French ISM manufacturing indicators pointing to a recession on the one hand, and services and retail sales indices pointing to a re-acceleration of activity on the other.

Over the week, the US 10yr note is up 5bps to 4% and the German 10yr bund is up 18bps to 2.72%. The equity markets are rising slightly. Credit remains very resilient and has tightened over the week, with EUR HY spreads down -14bps, US HY -15bps and IG credit spreads tightening respectively by -4bps and -3bps.

Allocation by strategy

	Investment	CDS*	TRS*	Exposure
Cash / short term papers	7,8%			7,8%
Government Bonds	9,8%			9,8%
Sub Fin	15,4%			15,4%
High Yield Corp	17,8%	-2,8%	2,6%	17,6%
Corp Investment Grade	30,0%		5,0%	35,1%
Inflation Linked Bonds				
Emerging Sovereigns	16,0%			16,0%
Emerging Corp	3,1%			3,1%
Convertibles bonds	0,8%			0,8%
Macro hedge		-4,7%		-4,7%

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

Government Bonds Strategy: Main positions

	Weight ¹	Exposure ²			Exposure ² Inf 1 yr
		1-7 yr	Sup 7 yr	Expo	
EMU	3,3%	27,44%	4,3%	31,7%	
Germany	1,9%	-48,40%	3,3%	-45,1%	
Cyprus	1,3%	1,30%		1,3%	
Italy	0,9%	-13,39%	7,0%	-6,3%	
United Kingdom	0,6%		0,6%	0,6%	
France	0,6%		3,4%	3,4%	
New Zealand	0,5%	0,48%		0,5%	
Croatia	0,3%		0,3%	0,3%	
Portugal	0,2%		0,2%	0,2%	
Spain	0,2%	0,01%	0,2%	0,2%	

1 - excluding derivatives

2 - including derivatives

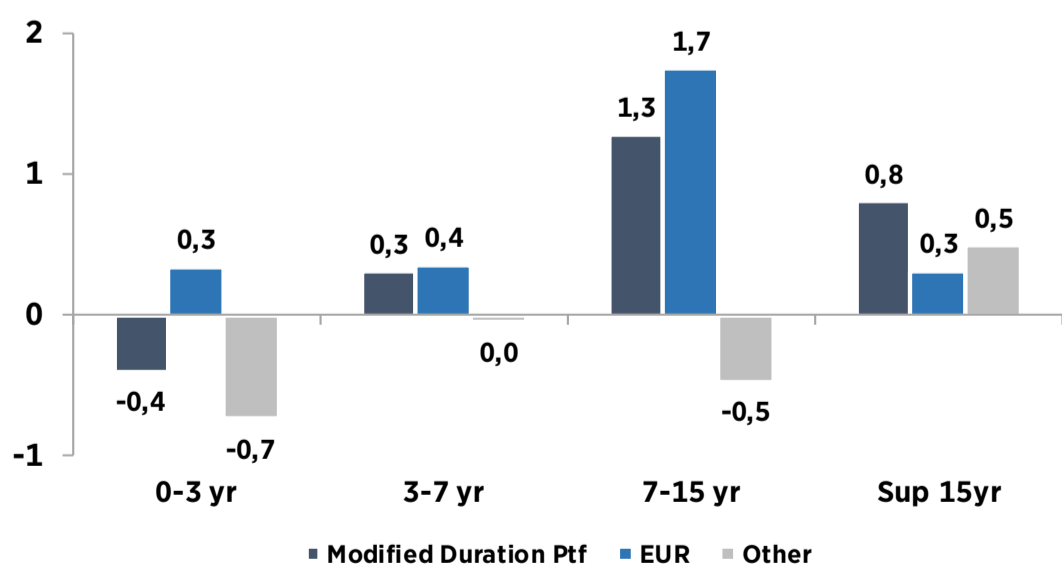
Main movements

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

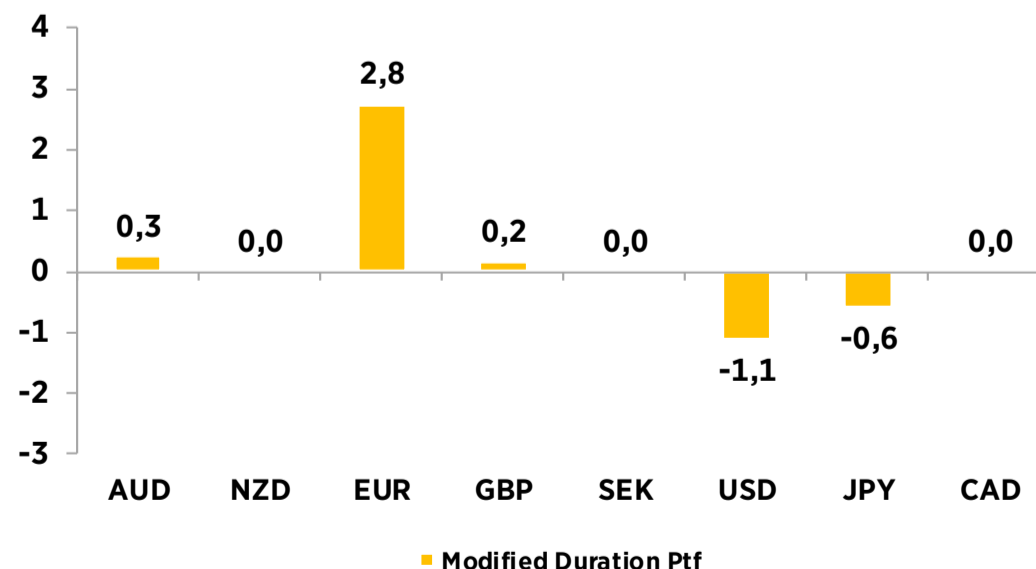
- We keep trimming our modified duration, notably on the EUR curve

Modified duration allocation :

By maturity :



By currency exposure (FX hedged):



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

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

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Significant Risks

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

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

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

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

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

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

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

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Any investment involves specific risks. We recommend investors to ensure the suitability and/or appropriateness of any investment to its individual situation, using appropriate independent advice, where necessary. Furthermore, investors must read the key investor information document (KIID) and/or any other legal documentation requested by local regulation, that are provided to them before any subscription and available at www.edmond-de-rothschild.com under the "Fund Center" section, or upon request free of charge.

A detailed description of the target investor provisions and the risks specific to UCIs can be found in the prospectus of this UCI authorized by FINMA for distribution to non-qualified investors in Switzerland.

The status, the prospectus, the key investor information document as well as the annual, half-yearly and quarterly reports are available on request from Edmond de Rothschild Asset Management (France), its distributors and/or representatives and/or contacts, a list of whom is available on the following website (<http://funds.edram.com>), so that investors can assess their risk and form their own opinion independently of any entity of the Edmond de Rothschild Group, by seeking, if necessary, the advice of advisors specialized in these questions, to ensure in particular the appropriateness of this investment to their financial situation, to their experience, and to their investment objectives.

The information contained in this document relating to this UCI is not intended to replace the information in the prospectus, or the semi-annual and annual reports. Investors are required to read such additional documentation before making any investment decision :

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

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

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