R-co Conviction High Yield Euro

Fonds commun de placement (mutual fund)

Prospectus

Updated on 31 May 2024

Rothschild & Co
Asset Management

UCITS governed by European Directive 2009/65/EC

R-CO CONVICTION HIGH YIELD EURO

I. General characteristics

FORM OF THE UCITS:

Name : R-co Conviction High Yield Euro
Legal form : French *fonds commun de placement* (mutual fund)
Date of incorporation : 12 March 2014
Intended lifetime : 99 years
Fund overview :

Unit class	ISIN	Allocation of amounts available for distribution	Currency of issue [1]	Eligible investors	Minimum initial subscription amount [2] [3]
C EUR	FR0011716331	Accumulation	EUR	All investors	EUR 2,500 Initial net asset value of one unit: EUR 1,000
C CHF H	FR0012900959	Accumulation	CHF	All investors	CHF 2,500 Initial net asset value of one unit: CHF 1,000
D EUR	FR0011716349	Distribution	EUR	All investors	EUR 2,500 Initial net asset value of one unit: EUR 1,000
F EUR	FR0011716380	Accumulation	EUR	All investors	EUR 100 Initial net asset value: EUR 100
IC EUR	FR0011716398	Accumulation	EUR	All investors, but specifically reserved for institutional investors	EUR 2,000,000 Initial net asset value: EUR 1,000
IC CHF H	FR0012900967	Accumulation	CHF	All investors, but specifically reserved for institutional investors	CHF 2,000,000 Initial net asset value: CHF 1,000
ID EUR	FR0011716422	Distribution	EUR	All investors, but specifically reserved for institutional investors	EUR 2,000,000 Initial net asset value: EUR 1,000
P EUR	FR0011753755	Accumulation	EUR	See below*	EUR 5,000 or EUR 500,000 for institutional investors Initial net asset value: EUR 1,000

[1] CHF units are systematically hedged against the foreign exchange risk of the fund's reference currency.
[2] The Management Company or any other entity belonging to the same group is exempt from the initial minimum subscription obligation.
[3] Subsequent subscriptions may be for parts or fractions of units, where applicable.

***** Subscription for these units is reserved for:

1) Investors subscribing through distributors or intermediaries:

- subject to national laws prohibiting any retrocessions to distributors (for example, the United Kingdom and the Netherlands), or

- providing:
  - advisory service within the meaning of the European MiFID II regulation
  - individual discretionary portfolio management service.

2) Institutional investors whose minimum initial subscription amount is EUR 500,000.

The fund has eight unit classes. These eight classes differ mainly in terms of type of their rules for allocating amounts available for distribution, their management and redemption fees, and their par value.

In addition, the Management Company reserves the right not to activate individual unit classes, thus delaying their commercial launch.

Where the latest annual report and the latest interim statement can be obtained:
The latest annual and interim documents are sent within a period of eight working days of the unitholder's written request addressed to:
Rothschild & Co Asset Management
Service commercial
29, avenue de Messine
75008 Paris

These documents are also available on the website: https://am.eu.rothschildandco.com

For further information, contact the client service team of the Management Company on (tel.: +33 (0)1 40 74 40 84 or by e-mail at the following address: clientserviceteam@rothschildandco.com

II. Parties involved

Management company: Rothschild & Co Asset Management, portfolio management company authorised by the AMF on 6 June 2017 under number GP-17000014
Limited Partnership
29, avenue de Messine – 75008 Paris, France

Depositary, Custodian:
Rothschild & Co Martin Maurel, société anonyme trading under the name Rothschild Martin Maurel
29, avenue de Messine – 75008 Paris, France
Credit institution approved by France's Prudential Control and Resolution Authority (ACPR)

Description of the Depositary's duties:
Rothschild Martin Maurel performs the duties defined by the applicable regulations, namely:

- Safekeeping of the assets of the UCITS;
- Verification of the compliance of Management Company decisions;
- Monitoring of the cash flows of the UCITS.

The Depositary is also responsible for managing the liabilities of the UCITS, which includes centralising its unit subscription and redemption orders under delegation from the Management Company, as well as managing the issue account and unit registers of the UCITS.

Supervision and management of conflicts of interest:
Rothschild Martin Maurel and the management company Rothschild & Co Asset Management belong to the same group, Rothschild & Co. In accordance with applicable regulations, they have established a policy and a procedure appropriate given their size and organisation, and the nature of their activities, in order to take reasonable measures intended to prevent conflicts of interests that could arise from this relationship.

Delegate(s):
The Depositary has delegated the safekeeping of foreign financial securities to the custodian, Bank of New York Mellon SA/NV (Belgium).
The list of entities used by Bank of New York Mellon SA/NV (Belgium) in the delegation of safekeeping duties and the information relating to conflicts of interest likely to result from such delegations are available on the website: www.rothschildandco.com/fr/wealth-management/rothschild-martin-maurel/informations-bancaires/.
Updated information is made available to investors free of charge within eight working days on written request from the unitholder to the Depositary.

Statutory auditor:

KPMG S.A.
Tour EQHO
2, avenue Gambetta, CS 60055
92066 Paris La Défense Cedex
Signatory: Pascal LAGAND

Promoter: Rothschild & Co Asset Management
Investors should be aware that not all of the fund's promoters are necessarily contracted by the Management Company and that the Management Company is unable to establish an exhaustive list of the fund's promoters because this list changes on an ongoing basis.

Delegates: Rothschild & Co Asset Management shall be solely responsible for the administrative and financial management of the fund, without delegation to third parties, with the exception of the accounting, which is delegated in its entirety to:
CACEIS Fund Administration
Credit institution authorised by the CECEI
Registered office: 89-91 rue Gabriel Péri – 92120 Montrouge
Postal address: 12 place des États-Unis – CS 40083 – 92549 Montrouge CEDEX

Advisers: None

Centralising agent:

Rothschild & Co Asset Management, portfolio management company authorised by the AMF on 6 June 2017 under number GP-17000014, located at 29 avenue de Messine – 75008 PARIS

Establishment responsible for managing the issue account and for centralising subscription/redemption orders, under delegation from the Management Company:

- for units to be registered or already registered in bearer form within Euroclear:

Rothschild Martin Maurel
Société anonyme (public limited company)
29, avenue de Messine – 75008 Paris, France
Credit institution approved by France's Prudential Control and Resolution Authority (ACPR)

- for units to be registered or already registered in pure registered form within IZNES' shared electronic record system, "DEEP":

IZNES
Operations Department
Company approved by the French Prudential Control and Resolution Authority (ACPR) as an investment company on 26 June 2020
18, boulevard Malesherbes
75008 PARIS

Each of the establishments will assume all the tasks relating to the management of the issue account as indicated above. Rothschild Martin Maurel will be responsible at fund level for aggregating information relating to the management of the issue account provided by IZNES.

III. Management and operations

III. 1. GENERAL CHARACTERISTICS:

Unit characteristics:
ISIN:

- C EUR unit : FR0011716331
- C CHF H unit : FR0012900959
- D EUR unit: : FR0011716349
- F EUR unit : FR0011716380
- IC EUR unit : FR0011716398
- IC CHF H unit : FR0012900967
- ID EUR unit : FR0011716422
- P EUR unit: : FR0011753755

Type of right attached to the unit class:

The right attached to the accumulation and distribution units is a real right, an equity security. Each unitholder has a right of co-ownership over the fund's assets proportional to the number of units held.

Registration or liabilities management: Liabilities are managed by Rothschild Martin Maurel, for units to be registered or already registered in bearer form within Euroclear, and by IZNES for units to be registered or already registered in pure registered form within IZNES' shared electronic record system, "DEEP".

Voting rights: There are no voting rights attached to the fund's units, as decisions are made by the Management Company. Unitholders shall be informed of any modification of the fund's operation, depending on the modifications made, either individually, through the press, or by any other means in compliance with AMF regulations.

Form of units: In bearer form for units admitted to Euroclear or in pure registered form within IZNES' "DEEP" system. The fund can be used in unit-linked life insurance policies.

Fractional units: Fund units are broken down into thousandths of units.

Closing date: Last trading day of March (1st closing: March 2015)

Tax treatment: The tax treatment of capital gains or losses upon full or partial redemption and of unrealised capital gains or losses depends on the tax provisions that apply to the particular situation of each subscriber and/or the investment jurisdiction of the fund. When in doubt, the subscriber should contact a professional adviser. The fund can be used in unit-linked life insurance policies.

III. 2. SPECIAL PROVISIONS:

ISIN:

- C EUR unit : FR0011716331
- C CHF H unit : FR0012900959
- D EUR unit: : FR0011716349
- F EUR unit : FR0011716380
- IC EUR unit : FR0011716398
- IC CHF H unit : FR0012900967
- ID EUR unit : FR0011716422
- P EUR unit: : FR0011753755

Classification: Bonds and other debt securities denominated in EUR

UCIs of UCIs: up to 10% of net assets

Investment objective:
The investment objective of the R-co Conviction High Yield Euro fund is to outperform the BofA Merrill Lynch BB-B Euro High Yield Constrained Index over the recommended investment horizon, by investing primarily in high-yield bonds and negotiable debt securities, i.e. those with a rating lower than or equal to BB+ (by S&P or Fitch) or Ba1 (by Moody's).

Benchmark:
The benchmark is the BofA Merrill Lynch BB-B Euro High Yield Constrained Index. This index is calculated with coupons reinvested and is representative of the overall performance of high-yield bonds denominated in EUR. The index comprises all bonds denominated in EUR issued by corporate issuers and rated high yield, where the average rating awarded by the rating agencies Moody's, S&P and Fitch is between BB+ and B-. The index is constrained, meaning that the weight of each issuer is limited to 3% of its market value. This index is available on the website: www.mlindex.ml.com.

As at the date of the last update of this prospectus, the administrator of the benchmark index was not yet entered on the register of benchmark administrators and benchmark indices maintained by ESMA.

In accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016, the Management Company has a procedure for monitoring the benchmarks used that describes the measures to be implemented in the event of substantial changes to an index or if an index ceases to be provided.

The objective of this UCITS is to outperform its benchmark, the BofA Merrill Lynch BB-B Euro High Yield Constrained Index, over the recommended investment period. The asset mix of the UCITS may differ significantly from the composition of the benchmark index.
This UCITS is not an index-linked UCITS.

Investment strategies:

1. Description of the investment strategies used:

- Overall strategic allocation of the portfolio

The yield curve and credit exposure is allocated on a discretionary basis. This exposure depends on the Management Company's expectations for interest rate spreads between government securities and securities issued by private issuers, and trends in interest rates.

The fund's portfolio can invest:

- between 50% and 100% of assets in bonds and other debt securities (i) without a rating from a rating agency (up to 50% of assets) and/or (ii) with a high-yield rating, i.e. below or equal to BB+ (S&P or Fitch) or Ba1 (Moody's) and,
- between 0% and 50% of assets in investment-grade bonds and debt securities, i.e. with a rating at least equal to BBB- (S&P or Fitch) or Baa3 (Moodys),
- up to 10% of assets in shares or units of UCIs for cash management purposes, and in UCIs for diversification purposes (particularly convertible bonds) in order to achieve the investment objective.

The allocation strategy across the yield curve and exposure to credit risk will be implemented through direct investments (bonds or securities) or synthetically through the use of forward financial instruments (in particular CDS or CDS indices).

The R-co Conviction High Yield Euro portfolio is:

- made up of bonds and negotiable debt securities, with fixed, variable or adjustable rates, subordinated securities (of which a maximum of 20% of net assets in contingent convertibles) and up to 100% in callable/puttable bonds, index-linked bonds, of all credit ratings, all maturities, and medium term notes, as well as convertible bonds (maximum of 10%);
- structured according to the following overall allocation:
  - between 0% and 50% in bonds or securities issued or guaranteed by a government or issued by international lending agencies, and denominated in EUR.
  - between 50% and 100% in bonds or securities issued by private issuers and denominated in EUR.

Up to a maximum of 10% of the fund's assets may be invested in securities and bonds issued by non-OECD governments and/or issuers having their registered office in a non-OECD country, including emerging markets.
Exposure to bonds and negotiable debt securities not denominated in EUR will remain incidental.

Geographical breakdown (nationality) of issuers	Between 90% and 100% issued by private issuers with their registered office in an OECD member country, by OECD member countries, or by international lending agencies. Between 0% and 10% issued by private issuers with their registered office in a non-OECD member country, by the governments of non-OECD countries (including emerging markets), or by international lending agencies.
Modified duration range	between 0 and 8
Currency of issue of the index components	EUR
Level of foreign exchange risk	Incidental

The fund may also invest in forward financial instruments traded on French and foreign regulated or over-the-counter markets (interest rate swaps, credit derivatives, particularly credit default swaps, total return swaps, forward exchange contracts) in order to achieve its investment objective (managing the portfolio's modified duration and credit risk). To do this, it hedges its portfolio and/or exposes it to interest rates, indices, credit risk, and currencies. These transactions will be carried out up to the maximum limit of 100% of the fund's assets.

The percentage of the fund's assets corresponding to the use of credit derivatives is between 0% and 100%.

In order to achieve its investment objective, R-co Conviction High Yield Euro may invest up to 10% of its assets in the shares or units of French and European UCIs and UCITS, in compliance with legal and regulatory requirements, particularly in treasury UCIs for cash management purposes, as well as in UCIs for the purposes of diversification (particularly convertible bonds).

Exposure to securities denominated in a currency other than EUR and foreign exchange risk versus EUR are incidental.

The portfolio's modified duration falls within a range of 0 to 8 (including balance sheet assets and forward financial instruments). Moreover, it should be noted that the fund's modified duration and its sensitivity to credit spreads could differ substantially from one another, while remaining within the modified duration range cited above.

- Criteria for selecting securities:

The following four sources of added value are used to manage the fund:

1) **Modified duration**: The portfolio's modified duration is increased if the portfolio manager anticipates a decline in interest rates and vice versa.

2) **Credit risk exposure**: The management process for the UCITS combines a top-down and bottom-up approach, thus identifying two sources of added value:
   - Sector and geographical allocation is based on an analysis of the economic and financial environment. This analysis identifies the long-term risks and issues influencing pricing. This specifically includes an analysis of default histories and the competitive situation.
   - Securities selection is based on a fundamental approach that involves two steps:
     - A qualitative analysis based on:
       - the sustainability of the sector,
       - a study of the competitive environment,
       - an understanding of the balance sheet,
       - an understanding of profitability drivers (supply/demand imbalance, cost-benefit analysis, patents, brands, regulations, etc.),
       - an understanding of debt schedules (balance sheet and off-balance sheet),
       - the capital structure and analysis of the legal documentation for the issue.
     - A quantitative analysis based on the probability of default:
       - using a broad range of public data and statistics on each issuer and/or issue,
       - comparing this data to that of comparable issuers and/or issues in terms of rating and/or sector
       - determining a theoretical valuation and comparing this to the market valuation.

3) **Yield curve positioning**: Depending on the manager's expectations regarding the flattening or steepening of the yield curve, securities with short and very long maturities will be prioritised over those with intermediate maturities, or vice versa.

4) **Option strategies**: depending on the manager's expectations about changes in the volatility and prices of the underlying instruments, the manager will need to sell or buy options on fixed-income markets.

The Management Company does not rely exclusively or automatically on credit ratings issued by rating agencies but undertakes its own analysis to assess the credit quality of fixed-income instruments.

Extra-financial criteria:

The portfolio's investment universe is the ICE BofA Euro High Yield; portfolio securities not included in this index will be added to the initial investment universe. The Management Company may select securities which are not included in the benchmarks that make up its investment universe. However, it will ensure that the benchmarks chosen provide an appropriate basis of comparison for the fund's ESG credentials. The securities in the portfolio's investment universe are first subject to a study of their profile with respect to Environmental, Social and Governance (ESG) criteria. The positive contribution of ESG criteria may be taken into consideration in investment decisions, without being a decisive factor in such decisions.

The percent share of positions analysed on the basis of non-financial criteria will be permanently higher than:
i. 90% of the portion of net assets invested in debt securities and money market instruments with an investment grade credit rating and sovereign debt issued by developed countries;
ii. 75% of the portion of net assets invested in debt securities and money market instruments with a high-yield credit rating and sovereign debt issued by emerging countries.

The non-financial rating of the portfolio is higher than the rating of the initial investment universe.

The non-financial ratings used are mainly those of the external non-financial research provider MSCI ESG Research. MSCI ESG Research rates companies from CCC to AAA (AAA being the best rating).

The ratings are attributed by sector using a best-in-class approach. This approach favours the companies with the best extra-financial ratings within their business sector, but does not favour or exclude any sector.
We reserve the right to rate the issuers not covered by the research of MSCI ESG Research to which we have access using reliable data sources and a comparable analysis grid.

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector as amended (SFDR) lays down the rules for transparency with regard to the integration of sustainability risks in investment decisions, the consideration of adverse sustainability impacts and the disclosure of Environmental, Social and Governance (ESG) and sustainability-related information.

A sustainability risk means an ESG event or condition that, if it occurs, could cause a negative material impact on the value of a fund's investment. A sustainability risk can either be a risk on its own, or have an impact on other risks and can contribute significantly to risks such as market risk, operational risk, liquidity risk or counterparty risk. Sustainability risks can have an impact on long-term returns adjusted according to the risks for investors. The assessment of sustainability risks is complex and can be based on ESG data that is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there is no guarantee that this data will be correctly evaluated.

The Management Company integrates sustainability-related risks and opportunities into its research, analysis and investment decision processes in order to improve its ability to manage risks more comprehensively and to generate lasting long-term returns for investors.

The fund promotes certain environmental and social characteristics within the meaning of Article 8 of the SFDR and good governance practices. For further details, please refer to the "Environmental and/or social characteristics" document appended to this prospectus. Sustainability risks are integrated into investment decisions, as described in the extra-financial criteria above, as well as through exclusion policies, the extra-financial rating of the portfolio, the engagement policy, the ESG controls set up and adherence to the carbon policy of Rothschild & Co.

The "do no significant harm" principle applies only to the underlying investments of 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. The underlying investments of the financial product that take into account the EU criteria for environmentally sustainable economic activities represent a minimum alignment commitment of 0% of investments.

The management company takes the adverse sustainability impacts of investment decisions into account, and states how the product in question considers them, transparently and pragmatically, in its Principal Adverse Impacts Policy.

Investments will comply with the ESG policy and Principal Adverse Impacts Policy, which are available at
https://am.fr.rothschildandco.com/en/responsible-investing/documentation/

2. Description of the asset classes (excluding embedded derivatives):
The asset classes included in the composition of the assets of the UCITS are as follows:

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

- **Debt securities, money market instruments, and bonds:** 90-100% of net assets
  In accordance with the holding range set out in the table below, the fund will invest in bonds, negotiable debt securities (such as short-term negotiable securities (including certificates of deposit and treasury notes issued before 31 May 2016) and Euro Commercial Paper) of all maturities, at fixed, variable, or adjustable rates, subordinated securities, index-linked bonds, of any equivalent rating, and convertible bonds (up to a maximum of 10%). The corporate/government debt distribution is not determined in advance and will be determined based on market opportunities. In all cases, exposure to non-rated securities and bonds (within the limit of 50% of the fund's assets) and/or high-yield securities and bonds will be between 50% and 100%. The fund may also invest up to 100% of its assets in subordinated bonds, including a maximum of 20% in contingent convertible bonds, and up to 100% in callable/puttable bonds, including make-whole call bonds (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 had the security been redeemed at maturity).
  The fund may invest up to 10% of its assets in securities and bonds issued by issuers with their registered office in a non-OECD member country, by the governments of non-OECD countries (including emerging markets), and/or by international lending agencies.
  Exposure to bonds and negotiable debt securities not denominated in EUR will remain incidental.

- **Holdings of shares or units in other UCIs**: 0-10% of net assets
  In accordance with the holding range specified below, the fund may hold:
  - units or shares of French or European UCITS governed by European Directive 2009/65/EC, units or shares of French AIFs
  - units or shares of French UCIs, whether governed by European Directive 2009/65/EC or not, managed by the Rothschild & Co group.

These investments will be made in compliance with the classification: EUR-denominated bonds and other debt securities.

Exposure to foreign exchange risk, non-eurozone interest rate and equity risk will not exceed 10% of the assets.

- **For each of the classes mentioned above:**

	Debt securities, money market instruments and bonds	Units or shares of UCIs or investment funds
Holding ranges	90%-100%	0-10%
Investment in financial instruments of non-OECD countries (including emerging countries)	0-10%	0-10%
Investment restrictions imposed by the Management Company	None	None

3. Derivatives:

The FCP may invest in regulated, organised, or over-the-counter markets.

The portfolio manager will invest in interest rate, credit and foreign exchange risk. In order to achieve the investment objective, these investments will be carried out for the purposes of portfolio hedging (sale of futures) and/or exposure, in order to reconstitute synthetic exposure to assets (purchase of futures). In particular, the portfolio manager may invest in futures, options, swaps (TRS up to 20% of the fund's net assets), forward exchange contracts and credit derivatives (CDS). These transactions shall be carried out up to the limit of 100% of assets.
The overall exposure to the fixed-income market, including exposure resulting from the use of derivatives, will serve to keep the portfolio's modified duration within a range of 0 to 8.
The portfolio's overall exposure to foreign exchange risk, including exposure resulting from the use of derivatives, will be incidental.

Credit derivatives:
The credit allocation is determined on a discretionary basis by the manager.
The credit derivatives used are index and single-entity CDS.

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 that are included in the portfolio
- in order to take advantage of the deterioration in the credit quality of an issuer or a group of issuers not included in the portfolio, which is expected to exceed that of an exposure included in the portfolio

and for exposure purposes through the sale of protection against the credit risk of an issuer or group of issuers.
CDS may be used for credit risk exposure or to hedge the portfolio's credit risk.
The percentage of the fund's assets corresponding to the use of credit derivatives is between 0% and 100%.

Total Return Swaps: In particular, the fund may use total return swaps up to a limit of 20% of its net assets. The aim of these forward financial instruments is to exchange 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 fund will not hold structured securitisation instruments.

Information related to counterparties of over-the-counter derivatives:
Counterparties, which may or may not be credit institutions, are selected in accordance with the procedure in force within the Rothschild & Co group on the basis of selection criteria that form part of an ad hoc internal process. The Management Company may regularly select the Depositary as its counterparty for OTC forex derivatives.
In particular, this involves:
- approval 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 UCITS trades.

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

4. Securities with embedded derivatives (warrants, credit-linked notes, EMTNs, subscription warrants, contingent convertible bonds, etc.):

In order to achieve the investment objective, the portfolio manager invests in interest rate, credit and foreign exchange risk. These investments are made for hedging or exposure. In particular, the portfolio manager may invest in convertible

bonds, warrants, auto-callables, EMTNs and bond warrants. The fund may also invest up to 20% in contingent convertibles and up to 100% in callable/puttable bonds including make-whole call bonds, as well as in securities with simple embedded derivatives that have a similar risk profile to that of the previously listed instruments.
The purpose of using these securities with embedded derivatives is to hedge or expose the portfolio to interest rate, credit, and foreign exchange risk, while maintaining a portfolio modified duration range of between 0 and 8.

The portfolio's overall equity exposure, including exposure resulting from the use of securities with embedded derivatives, will not exceed 10%.
The overall exposure to fixed-income and credit markets, including exposure resulting from the use of securities with embedded derivatives, will serve to keep the portfolio's modified duration within a range of 0 to 8.
The overall exposure to foreign exchange risk, including exposure resulting from the use of securities with embedded derivatives, will be incidental.

5. **Deposits:** The fund may invest up to 10% of its assets in EUR deposits with a maturity of up to three months in order to earn a return on the fund's cash.

6. **Cash borrowings**: The fund may take out loans in the amount of up to 10% of its assets, particularly in order to offset deferred payment terms for asset movements.

7. **Securities financing transactions:**

- General description of transactions:
    - Purpose of the transactions:

Securities financing transactions will be carried out in accordance with the French Monetary and Financial Code. They will be conducted for the purposes of cash management and/or optimisation of the UCI's income.

- Type of transactions used:

These transactions will consist of securities lending and borrowing and/or repurchase and reverse repurchase agreements, for fixed-income products or credit products (debt securities and money market instruments) of issuers in OECD member countries.

- General information for each type of transaction:
    - Level of intended use:

Up to 100% of the UCI's assets may be used in securities financing transactions involving temporary disposals (securities lending, repurchase agreements) and temporary purchases (securities borrowing, reverse repurchase agreements) of securities. The expected proportion of assets under management that will be used in this type of transaction is 10% of assets.

- Remuneration:

Additional information regarding remuneration is provided in the section entitled "Fees and expenses".

- Information on counterparties, collateral, and risks:
    - Collateral:

The collateral received as part of these transactions will be the subject of a discount according to the principle described in the "Information about the UCI's financial collateral" section. The collateral will be held by the Depositary of the UCI. For more information regarding collateral, refer to the section entitled "Information regarding the financial collateral of the UCI".

- Selection of Counterparties:

A procedure is used to select the counterparties for these transactions in order to avoid the risk of any conflicts of interest when such transactions are used. These counterparties will be credit institutions with their registered office in a member state of the European Union and a minimum rating of BBB. Additional information on the procedure for selecting counterparties is provided in the section entitled "Fees and expenses".

- Risks: refer to the "Risk related to implemented management" section and especially "counterparty risk".

8. **Information regarding the financial collateral of the UCITS:**

As part of securities financing transactions and transactions in OTC derivatives, the fund may receive cash or securities (such as bonds or securities issued or guaranteed by a government, or issued by international lending agencies, and bonds or securities issued by high-quality private issuers) as collateral. There is no correlation policy insofar as the UCI will receive mainly eurozone government securities 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 and diversified issuers, and are not affiliated to 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.

The Fund must be able to fully realise any financial collateral received, at any time and without consultation with or approval from the counterparty.
Financial collateral other than in cash must not be sold, reinvested, or pledged.
Financial collateral received in cash may only be:
- placed in deposit accounts;
- invested in high-quality government bonds;

used for the purposes of reverse repurchase agreements, provided that these agreements are concluded with credit institutions subject to prudential supervision and that the UCI can, at any time, recall the total amount of cash, taking into account the accrued interest; or
- invested in money market collective investment schemes.

Risk profile:
"Your money shall be invested primarily in financial instruments selected by the Management Company. These instruments will be subject to market fluctuations and uncertainties. "

Investors in the fund are primarily exposed to the following risks:

1. Risk associated with discretionary management: the discretionary management style is based on anticipating trends on the various markets. There is the risk that the UCITS will not always be invested in the best-performing markets.
2. Risk of capital loss: holders have no capital guarantee.
3. Credit risk: risk of credit quality deterioration or default of an issuer present in the portfolio or default of a counterparty to an OTC transaction (swap, repo). As such, in the event of an increase in credit spreads, any long exposure to credit risk may result in a fall in the fund's net asset value. Similarly, in the event of a decrease in credit spreads, any short exposure to credit risk may result in a decline in the net asset value of the fund. Exposure to high-yield rates will be between 50% and 100%. Investments in non-rated securities may not represent more than 50% of the fund's assets.
4. Interest rate risk: risk of the UCITS (constituted by the balance sheet and its off-balance sheet commitments) due to its modified duration to eurozone yield curve movements (modified duration range between 0 and 8 for the fixed-income segment). Thus, in periods of interest rate increases (in the event of positive modified duration) or decreases (in the event of negative modified duration), the fund's net asset value is likely to be impacted negatively.
5. High-yield risk: This is the credit risk that applies to
This is the credit risk that applies to speculative-grade securities, which have higher probabilities of default than securities in the investment grade category. In exchange, they offer higher yield levels, but in the event of a deterioration in rating may significantly reduce the net asset value of the UCITS.
Any non-rated issuers that are selected, will similarly be included in this category and may present equivalent or greater risks because of their lack of rating. The increased risk of default by these issuers may lead to a decline in the net asset value.
6. Risk related to extra-financial (ESG) criteria:
The incorporation of sustainability risks into the investment process as well as responsible investing are based on the use of non-financial criteria. Their application may lead to the exclusion of issuers, meaning market opportunities may be lost. As a result, the fund's performance may be higher or lower than that of a fund that does not incorporate these criteria.
ESG data, whether coming from internal or external sources, are derived from assessments that are not subject to strict market standards. This leaves room for subjectivity, and can result in very different ratings for an issuer from one provider to another. Moreover, ESG criteria can be incomplete or inaccurate. There is a risk of inaccurate assessment of a security or an issuer.
These different aspects make it difficult to compare strategies incorporating ESG criteria.
7. Sustainability risk: An environmental, social or governance-related event or situation that, if it occurs, could have a real or potential negative impact on the value of the investment. The occurrence of this type of event or condition may also result in a change in the fund's investment strategy, including the exclusion of the securities of certain issuers. More specifically, the negative effects of sustainability risks can affect issuers via a series of mechanisms, in particular: 1) a drop in revenues; 2) higher costs; 3) damage or impairment to the value of the assets; 4) a 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 probability that sustainability risks will have an impact on the returns of financial products is likely to increase in the longer term.
8. Counterparty risk:
The UCITS may use securities financing transactions and/or forward financial instruments (over-the-counter derivatives). These transactions, entered into with a counterparty, expose the UCITS to a risk of the counterparty's default, which may cause the net asset value of the UCITS to decline. Nevertheless, the counterparty risk may be limited by the collateral pledged to the UCITS in accordance with the regulations in force.
9. Risk associated with securities financing transactions: In addition to the counterparty risk previously mentioned, the use of these techniques and the management and reuse of the associated collateral involve certain specific risks such as: the potential lack of liquidity in any of the instruments used; potential risks regarding the legal documentation, the application of the contracts, and their limits; operational and custodial risks; a risk of incorrect valuation; and counterparty risk. If use of these transactions proves to be inadequate, ineffective, or a failure due to market conditions, the UCI may suffer significant losses that will have a negative effect on its net asset value.
10. Specific risk associated with the use of complex subordinated bonds (contingent convertible bonds, also known as "CoCos"): A debt is referred to as subordinated when its repayment depends on the initial repayment of other creditors. As such, the subordinated creditor will 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 on other debts. CoCos present specific risks associated with the potential for their coupon to be cancelled or suspended, their value reduced in full or in part, or the debt converted into shares. 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 reduction in the fund's net asset value.

11. Incidental risks:

a. Equity risk (through the use of convertible bonds or following a corporate action on a convertible bond): risk of a decline in the portfolio's net asset value due to declining equity markets. This risk is limited to a maximum of 10% for this fund.
b. Foreign exchange risk: the UCITS may be exposed to foreign exchange risk due to the difference in performance between the currency hedge and the hedged assets. This risk is limited to a maximum of 10% for this fund. Furthermore, units in currencies other than EUR are systematically hedged against the foreign exchange risk of the fund's reference currency, but there may be some residual foreign exchange risk due to any imperfections in the hedges implemented.
c. Risk associated with exposure to non-OECD countries (including emerging countries): of up to 10% to non-OECD countries: the manner in which these markets operate and are supervised may differ from the standards prevailing in major international markets.

Guarantee or protection: None

Eligible investors and typical investor profile: All investors (see summary table of unit characteristics).

Investors may subscribe in the currency of issue of the relevant unit.

The units of this UCITS are not and will not be registered in the United States pursuant to the US Securities Act of 1933, as amended, or admitted under any law of the United States. These units may not be offered, sold, or transferred in or to the United States (including its territories and possessions) or benefit, directly or indirectly, any US Person (within the meaning of Regulation S of the US Securities Act of 1933) or equivalent (as referred to in the US HIRE Act of 18 March 2010 and in the FATCA framework).

With regard to the typical investor profile, this fund is intended for investors wishing to invest in EUR-denominated speculative high-yield securities issued primarily by companies with their registered office in an OECD country or by OECD member countries.

The amount that can be reasonably invested in this UCITS depends on each investor's personal situation. To determine this amount, investors must consider their personal wealth/assets, their current needs, and their needs over the recommended investment period, as well as their willingness to take risks or, otherwise, their preference for a cautious investment approach. Investors are also strongly advised to diversify their investments sufficiently so as not to be exposed solely to the risks of this UCITS.

Recommended investment period: more than 5 years

Establishment and allocation of amounts available for distribution:
Net profit/loss for the financial year comprises net income together with (i) net realised capital gains or losses and (ii) net unrealised capital gains or losses, minus interim dividends paid during the year.

Net income for the financial year is equal to the amount of interest, arrears, premiums, bonuses, and dividends, as well as all income relating to the securities held in the fund's portfolio, plus income from temporary cash holdings, less management fees and borrowing costs, plus or minus the balance of the income equalisation account.
Amounts available for distribution consist of the following:

1) net income for the year plus retained earnings and the balance of the equalisation account, minus interim dividends paid on net income for the year;

2) realised capital gains, net of charges, minus realised capital losses, net of expenses recognised for the year, minus interim dividends paid on net realised capital gains or losses for the year, plus net capital gains of the same nature recognised in prior years that were not distributed or accumulated, minus or plus the balance of the capital gains equalisation account.

The amounts indicated in points 1) and 2) may be distributed independently of each other, in whole or in part, in accordance with the procedures described below.
Amounts available for distribution must be paid within a maximum period of five months after the year-end.

For accumulation units: amounts available for distribution shall be fully accumulated, with the exception of those amounts that are subject to compulsory distribution by law.

Units concerned: C EUR, C CHF H, F EUR, IC EUR, IC CHF H and P EUR

For distribution units: full distribution of net income as defined in 1) above, with regard to the capital gains or losses defined in 2) above, accumulation (total or partial) and/or distribution (total or partial) and/or retention (total or partial) by decision of the Management Company.
Units concerned: D EUR and ID EUR

For accumulation and/or distribution units: for funds that would like to remain free to accumulate and/or distribute, and/or retain amounts available for distribution, the Management Company shall decide each year on the allocation of the amounts indicated in points 1) and 2).
Units concerned: None

Distribution frequency:

For accumulation units: annual accumulation
For distribution units and accumulation and/or distribution units: annual by decision of the Management Company, and possibility of interim payments.

Unit characteristics:

Unit class	ISIN	Allocation of amounts available for distribution	Currency of issue [1]	Eligible investors	Fractional shares	Minimum initial subscription amount [2] [3]
C EUR	FR0011716331	Accumulation	EUR	All investors	thousandths of units	EUR 2,500 Initial net asset value of one unit: EUR 1,000
C CHF H	FR0012900959	Accumulation	CHF	All investors	thousandths of units	CHF 2,500 Initial net asset value of one unit: CHF 1,000
D EUR	FR0011716349	Distribution	EUR	All investors	thousandths of units	EUR 2,500 Initial net asset value of one unit: EUR 1,000
F EUR	FR0011716380	Accumulation	EUR	All investors	thousandths of units	EUR 100 Initial net asset value: EUR 100
IC EUR	FR0011716398	Accumulation	EUR	All investors, but specifically reserved for institutional investors	thousandths of units	EUR 2,000,000 Initial net asset value: EUR 1,000
IC CHF H	FR0012900967	Accumulation	CHF	All investors, but specifically reserved for institutional investors	thousandths of units	CHF 2,000,000 Initial net asset value: CHF 1,000
ID EUR	FR0011716422	Distribution	EUR	All investors, but specifically reserved for institutional investors	thousandths of units	EUR 2,000,000 Initial net asset value: EUR 1,000
P EUR	FR0011753755	Accumulation	EUR	See below*	thousandths of units	EUR 5,000 or EUR 500,000 for institutional investors Initial net asset value: EUR 1,000

[1] CHF units are systematically hedged against the foreign exchange risk of the fund’s reference currency.
[2] The Management Company or any other entity belonging to the same group is exempt from the initial minimum subscription obligation.
[3] Subsequent subscriptions may be for parts or fractions of units, where applicable.

***** Subscription for these units is reserved for:

1) Investors subscribing through distributors or intermediaries:

- subject to national laws prohibiting any retrocessions to distributors (for example, the United Kingdom and the Netherlands),

or

- providing:
  - advisory service within the meaning of the European MiFID II regulation
  - individual discretionary portfolio management service.

2) Institutional investors whose minimum initial subscription amount is EUR 500,000.

The fund has eight unit classes. These eight classes differ mainly in terms of type of their rules for allocating amounts available for distribution, their management and redemption fees, and their par value.

In addition, the Management Company reserves the right not to activate individual unit classes, thus delaying their commercial launch.

Subscriptions and redemptions:
- for units to be registered or already registered in bearer form within Euroclear:
Subscription and redemption requests are received and centralised each day at 12:00 pm at Rothschild Martin Maurel and executed on the basis of the next net asset value (unknown price).

- for units to be registered or already registered in pure registered form within IZNES' shared electronic record system, "DEEP":

Subscription and redemption requests for units to be registered or already registered in pure registered form within IZNES' shared electronic record system, "DEEP", are received and centralised each day at 12:00 pm at IZNES, Service Opérations, 18, boulevard Malesherbes – 75008 PARIS, and executed on the basis of the next net asset value (price unknown).

Each of the establishments will assume all the tasks relating to the management of the issue account as indicated above. Rothschild Martin Maurel will be responsible at fund level for aggregating information relating to the management of the issue account provided by IZNES.

Settlements relating to subscriptions and redemptions take place on the second business day following execution (D+2).

Orders are executed in accordance with the table below:

D	D	D: day of NAV calculation	D+1 business day	D+2 business days	D+2 business days
Centralisation of subscription orders before 12:00 pm[1]	Centralisation of redemption orders before 12:00 pm[1]	Execution of the order no later than day D	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions

[1] Unless otherwise agreed with your financial institution.

Condition for unit exchanges, subject to eligibility:
Exchange requests are received each valuation day and executed according to the procedures indicated above. Any fractional units are either settled in cash, or cash must be added to subscribe for an additional unit, which will be exempt from any subscription fee.

Any exchange of one unit class in the fund into a different unit class is considered as a disposal followed by a redemption followed by a subscription and is therefore subject to the tax system applicable to capital gains or losses on disposals of securities.

Redemption cap (or "gate"):

In accordance with the applicable regulations in force, the Management Company may decide, on a provisional basis, to place a cap on unit redemptions in the fund (the "redemption cap"), if exceptional circumstances so require (the redemption cap is not systematically activated) and in the interests of unitholders, to prevent any imbalance in redemption requests and the net assets of the fund that would prevent the Management Company from honouring such redemption requests on terms that uphold unitholder interests and their equal treatment.

The redemption cap will be applied on the following terms:

I. Description of the method used

The decision to introduce a redemption cap may be taken if, on a given subscription centralisation date (the "capped centralisation date"), the difference between the portion of the fund's assets for which redemption is requested (hereinafter the "redemption percentage") and the portion of the fund's assets for which subscription is requested (hereinafter the "subscription percentage") is positive and represents more than 5% of the total net assets reported after the previous net asset value calculation date ("net assets"). The maximum duration for the redemption cap is one month.

II. Procedures for informing unitholders

Unitholders making redemption requests affected by the redemption cap will be specially notified as soon as possible after the capped centralisation date (the “reporting deadline”). The decision to introduce a redemption cap will also be published on the Management Company's website, and mentioned in the next interim report.

III. Order processing

In the event of a redemption cap, the Management Company decides on its level, net of subscriptions, which will be at least 5% of net assets (the “redemption cap level”).
The redemption orders of all investors requesting redemption on a capped centralisation date will be scaled back by the same percentage (the “reduction coefficient”). The reduction coefficient is equal to the relationship between the redemption cap level and the redemption percentage net of subscriptions.
For a given unitholder, the number of units for which redemption is honoured is therefore equal to the initial number of units for which redemption has been requested multiplied by the reduction coefficient, this number of units being rounded up.

Redemption requests that have not been honoured because of the redemption cap and are pending execution will be automatically carried forward to the next net asset value dates (within one month), using the same method.
Redemption requests carried forward to the next net asset value date will not be given priority over subsequent requests.
Exceptionally, operations involving a subscription followed by a redemption, for the same number of units, based on the same net asset value and for the same unitholder (referred to as in-and-out trades) may not be subject to the redemption cap (gate).

Example of the system being triggered:
If total redemption requests amount to 15% of the fund’s net assets, the trigger threshold set at 5% has been reached.
There are two possible scenarios:
● If liquidity conditions are favourable, the management company may decide not to trigger a redemption cap and to honour all redemption requests (execution of 100% of redemption requests).
● If liquidity conditions are unfavourable, the management company applies the redemption cap at the 5% threshold or higher. The share of redemption requests exceeding this threshold are deferred to the next net asset value date.
For example, if total redemptions net of subscriptions amount to 15% of the fund’s net assets, the trigger threshold set at 5% has been reached. The Management Company may decide to apply a 5% threshold and therefore execute a third of the redemption requests, deferring the others to subsequent NAV dates within the next month. If it chooses a 10% threshold, it executes two thirds of the redemption requests, deferring the others to subsequent NAV dates within the next month.
You can also refer to Article 3 of the fund’s regulations for information on the redemption cap mechanism used by your fund.
Receipt of subscriptions and redemptions:
IZNES, Service Opérations, 18, boulevard Malesherbes - 75008 PARIS / Rothschild Martin Maurel – 29, avenue de Messine – 75008 Paris.

Unitholders are advised that orders sent to any promoters other than Rothschild Martin Maurel or IZNES must take account of the fact that the centralisation deadline for the abovementioned orders applies to Rothschild Martin Maurel or IZNES.

Accordingly, these promoters may apply their own deadline prior to that mentioned above, to reflect the time required to transmit the orders to Rothschild Martin Maurel or IZNES.

Net asset value calculation
The net asset value is calculated on every day that the Paris stock exchange is open, with the exception of French public holidays.

The net asset value is published on the Management Company’s website: https://am.eu.rothschildandco.com

Fees and expenses

SUBSCRIPTION AND REDEMPTION FEES:
Subscription and redemption fees respectively increase the subscription price paid by the investor or decrease the redemption price received. Fees retained by the UCITS are used to offset the costs incurred by the UCITS to invest or divest investors’ monies. Any fees not retained are paid to the Management Company, promoter, distributor, etc.

Fees charged to the investor, deducted at the time of subscription and redemption	Base	Rate
Subscription fee not retained by the UCITS	Net asset value x number of units	2% maximum

Subscription fee payable to the UCITS	Net asset value x number of units	None
Redemption fee not retained by the UCITS	Net asset value x number of units	None
Redemption fee payable to the UCITS	Net asset value x number of units	None

OPERATING EXPENSES AND MANAGEMENT FEES:
These management fees and operating expenses do not include potential recovery costs in the event of legal proceedings, which will be paid directly by the fund; these recovery costs may be deducted from any amounts recovered.

These fees cover all costs billed directly to the UCITS, including auditors' fees, with the exception of transaction costs. Transaction costs include intermediation fees (brokerage, etc.) and turnover commissions, where applicable, which may be charged by the Depositary and the Management Company, in particular.

The following may be added to operating expenses and management fees:
- performance fees. These reward the Management Company if the UCITS exceeds its objectives. They are therefore charged to the UCITS;
- turnover commissions charged to the UCITS;

A portion of the management fees may be passed on to promoters and distributors.

For more information on the charges actually billed to the UCITS, please refer to the Key Information Document (KID).

	Fees charged to the UCITS	**Base**	**Rate**
1	Financial management fees	Net assets	C EUR, C CHF H, and D EUR units: 1.20% maximum F EUR units: 1.50% maximum IC EUR, IC CHF H, and ID EUR units: 0.60% maximum P EUR units: 0.70% maximum
2	Administrative fees not paid to the Management Company		
3	Maximum indirect fees: - management fees - other fees: - subscription: - redemption:	Net assets	Not applicable
4	Service providers collecting turnover commissions: Depositary: between 0% and 50% Management Company: between 50% and 100%	Payable on each transaction	0.03% on bonds 0.30% on French equities 0.40% on foreign equities 0.50% on structured products €30 per contract on futures in euro €60 per contract on futures not in euro €0.20 per batch on options €100 per transaction on interest rate swaps
5	Performance fee	Net assets	15% of the outperformance of the fund (annual and net of management fees) versus the performance of the BofA Merrill Lynch BB-B Euro High Yield Constrained Index, following the method described below (*)

Performance fee (*):
The UCITS uses a performance fee model based on a benchmark.

It ensures that any underperformance (over a maximum period of five years) of the UCITS versus a reference fund generating a performance equal to that of the benchmark (BofA Merrill Lynch BB-B Euro High Yield Constrained Index) with the same subscription and redemption pattern is recovered before any performance fees become payable.

If another year of underperformance occurs within this first five-year period and has not been recovered by the end of this first period, a new period of up to five years begins as a result of this new year of underperformance.
The performance fee is calculated over a maximum of five years by comparing the change in the assets of the UCITS (coupons reinvested and excluding variable management fees) with the assets of a reference fund:

- The starting value of the reference fund is the value of the assets of the UCITS:
  - (i) at the close of the most recent financial year in which performance fees were charged during the last five financial years, if performance fees were charged in one of these financial years;
  - (ii) or, failing this, at the start of the earliest of the last four financial years for which underperformance has not been made up, or at the close of the previous financial year if no underperformance has to be made up in the last four financial years;
  - (iii) or, failing that, on 1 April 2022;
- The reference fund's value therefore rises and falls in line with the daily performance of the benchmark, with the same inflows and outflows of funds from subscriptions and redemptions as the UCITS.

If, at the close of the financial year, the assets of the UCITS (excluding variable management fees) are greater than the assets of the reference fund based on the starting value described above, a performance fee is charged that is equal to 15% (including taxes) of the difference in valuation between the UCITS' assets and the reference fund.
A performance fee may be charged where the UCITS has outperformed the benchmark but has recorded negative performance for the year.

A provision for these fees is made at each net asset value calculation and paid annually at the close of the financial year.

The provision is written back each time the difference between the two asset values decreases. In the event of underperformance (the assets of the UCITS are less than the reference fund's assets), the provision is written down to zero, excluding any accrued variable management fees.

At the end of the financial year, the provision for performance fees is paid to the management company, together with the proportion of fees derived from unit redemptions during the financial year.
The performance fee is calculated on the basis of the performance of each unit class compared with that of the benchmark index. Unitholders of the UCITS may consult the past performance of each unit class against the benchmark index at the following address on the management company's website: https://am.eu.rothschildandco.com.

Example showing the calculation of outperformance:

	Net performance (*)	Underperformance (*) to be made up the following year	NAV of fund at close of financial year	NAV of fund > NAV at close of previous financial year	Performance fee charged	Notes
Y0						
Y1	5%	0%	102	yes	yes	Performance fee = net performance (*) 5% x performance fee rate
Y2	0%	0%	101	no	no	
Y3	-5%	-5%	99	no	no	
Y4	3%	-2%	100	yes	no	
Y5	2%	0%	103	yes	no	
Y6	5%	0%	105	yes	yes	
Y7	1%	0%	103	no	yes	A performance fee is charged even though the fund's NAV decreased with respect to the previous year because the fund outperformed the benchmark.
Y8	-10%	-10%	96	no	no	
Y9	2%	-8%	97	yes	no	

Y10	2%	-6%	98	yes	no	
Y11	2%	-4%	100	yes	no	
Y12	0%	0%	101	yes	no	The underperformance of Y12 to be carried forward to the next year (Y13) is 0% (rather than -4%), since the residual underperformance from Y8 not yet offset (-4%) is no longer relevant as the 5-year period has elapsed (the underperformance of Y8 is offset up to Y12).
Y13	2%	0%	102	yes	yes	
Y14	-6%	-6%	98	no	no	
Y15	2%	-4%	99	yes	no	
Y16	2%	-2%	101	yes	no	
Y17	-4%	-6%	99	no	no	
Y18	0%	-4%	100	yes	no	The underperformance of Y18 to be carried forward to the next year (Y19) is 4% (rather than -6%), since the residual underperformance from Y14 not yet offset (-2%) is no longer relevant as the 5-year period has elapsed (the underperformance of Y14 is offset up to Y18).
Y19	5%	0%	103	yes	yes	

(*) of the UCITS relative to the reference fund.

Securities financing transactions:
For its securities financing transactions involving the sale of securities, the service provider of the fund shall be one or more credit institutions having their registered office in a member state of the European Union. The service providers will act independently of the fund and will systematically be counterparties of the market transactions. These service providers may belong to the Rothschild & Co group or an entity of the group to which it belongs (hereinafter the “Entity”). As such, the Entity carrying out these transactions may generate a potential conflict of interest.

No remuneration is retained by the Depositary (as part of its custodian function) or the Management Company for securities financing transactions. All income from these transactions is received in full by the UCITS. These transactions generate costs that are borne by the UCITS; the Entity may not charge more than 50% of the income generated by these transactions

In addition, the Management Company does not receive any soft commission.

Research-related expenses within the meaning of Article 314-21 of the AMF’s General Regulation can be charged to the UCITS.

Financial intermediary selection procedure:
The Management Company may in some cases use brokers to invest in other financial instruments. In these cases, the fund may be charged brokerage fees.

When the Management Company trades other types of assets listed on a market (shares or units of UCITS, AIFs or foreign open-ended investment funds, shares or units of closed-end investment companies, forward financial instruments, etc.), it selects its financial intermediaries on the basis of a policy that takes into account quantitative criteria (price) and qualitative criteria (market position, internal organisation, speed, etc.), which are determined with reference to an internal assessment grid.

As this type of transaction is not predominant, Rothschild & Co Asset Management may select only one intermediary for their execution.

For any additional information, please refer to the fund’s annual report.

IV. Commercial information

Modifications requiring special notification to unitholders will be reported to each identified unitholder or via Euroclear France for unidentified unitholders in the form of an information notice.

Modifications not requiring special notification to unitholders will be communicated either in the fund's interim documents, available from the Depositary, in the press, on the Management Company's website (https://am.eu.rothschildandco.com), or by any other means in compliance with AMF regulations

Repurchase or redemption of units is carried out (i) via Rothschild Martin Maurel for units to be registered or already registered in bearer form within Euroclear, and (ii) via IZNES for units to be registered or already registered in pure registered form within the shared electronic record system, "DEEP".

Information on the procedures for incorporating criteria relating to compliance with social, environmental and governance objectives in the investment policy is available in the annual report of the UCITS and on the Management Company's website: https://am.eu.rothschildandco.com

The portfolio's composition may be sent to professional investors subject to supervision by the ACPR, the AMF, or equivalent European authorities, or to their service providers, with a confidentiality commitment, in order to meet their regulatory requirements related to Directive 2009/138/EC (Solvency II).
It will be sent in accordance with the provisions defined by the AMF with a period not less than 48 hours after publication of the net asset value.
For any additional information, unitholders may contact the Management Company.

V. Investment rules

This fund will comply with the regulatory ratios applicable to UCITS investing no more than 10% in UCITS.

VI. Overall risk

The method used by the Management Company to calculate the overall risk ratio is the relative value at risk method as defined by the AMF's General Regulation (Article 411-77 et seq.).

The intended level of leverage of the fund, provided for indicative purposes, calculated as the sum of the nominal values of the financial derivative contracts used, is 100%.

VII. Asset valuation and accounting rules

Asset valuation rules are based on the valuation methods and practical procedures specified in the notes to the annual financial statements and in the prospectus.

Valuation rules:

The UCITS has adopted the EUR as its reference currency.

Securities traded on an exchange are valued at closing prices.

Derivatives are valued at settlement prices.

Bonds are valued on the basis of the average contributor price.

UCITS are valued at the last known price.

Treasury bills are valued at the market rate.

Negotiable debt securities with a residual life of more than three months are valued at the market rate, with the exception of variable-rate or adjustable-rate negotiable debt securities not presenting any particular market modified duration.

Repurchase agreements and sales with an option to repurchase are valued at the contract price.

Financial collateral is marked to market on a daily basis, in compliance with the valuation rules described above.

Currency futures are valued at the daily fixing price, plus a variable premium/discount depending on the maturity and currencies of the contract.

Credit default swaps (CDS) are valued as follows:
- for the leg representing the premium: the pro rata temporis value of this premium,
- for the leg representing the credit risk: according to the market price (mid-price of quotations published by the counterparty).

Accounting method:

Interest is recognised according to the cash-basis method.

Additions to the portfolio are recognised at their acquisition price, excluding costs.

Net asset value adjustment method associated with swing pricing with a trigger threshold:

If, on a NAV calculation day, the total of net subscription/redemption orders from investors across all unit classes of the fund exceeds a threshold pre-established by the Management Company and determined on the basis of objective criteria as a percentage of the fund's net assets, the NAV can be adjusted upwards or downwards in order to take into account the adjustment costs attributable to the net subscription/redemption orders respectively. The NAV of each unit class is calculated separately, but any adjustment has, in percentage terms, an identical impact across all NAVs of the fund's unit classes. The cost and trigger threshold parameters are determined by the management company and reviewed periodically, at least every six months. These costs are estimated by the Management Company on the basis of transaction costs, buy/sell spreads, as well as any taxes applicable to the fund.

Given that this adjustment is related to the net balance of subscriptions/redemptions within the fund, it is not possible to accurately predict whether swing pricing will be applied at a given time in the future. Therefore, it is not possible to accurately predict the frequency at which the Management Company will need to make such adjustments, which may not exceed 2% of the NAV. Investors should note that, due to the application of swing pricing, the volatility of the mutual fund's NAV may not reflect solely that of the securities held in the portfolio.

VIII. Remuneration

In compliance with Directive 2009/65/EC, Rothschild & Co Asset Management, the management company of the fund, has drawn up and applies remuneration policies and practices compatible with sound and efficient risk management and that do not encourage risk taking incompatible with the risk profiles and regulatory documents of the fund and that do not undermine the obligation to act in its best interests.

The remuneration policy complies with the economic strategy, objectives, values and interests of the fund and investors and includes measures aimed at avoiding conflicts of interest.

In addition, as a management company for AIFs and UCITS, Rothschild & Co Asset Management also applies the AIFM and UCITS Directives.

The provisions of the AIFM and UCITS Directives are applicable to the following functions:
- General Management (excluding Associate Managing Directors)
- Managers of AIFs and UCITS
- Development and marketing managers
- Head of internal control and compliance
- Risk functions (operations, trading, etc.)
- Administrative managers
- Any other employee with a significant impact on the risk profile of the company or the AIF/UCITS it manages, and whose overall remuneration is situated in the same remuneration tranche as other risk takers.

The remuneration policies and practices of Rothschild & Co Asset Management apply to all staff members, with specific rules on deferred variable remuneration applicable to those employees who are subject to the provisions of the AIFM and UCITS Directives.

Details concerning the remuneration policy of Rothschild & Co Asset Management are available on the website: https://am.eu.rothschildandco.com

A printed version of the Rothschild & Co Asset Management remuneration policy is made available free of charge to investors in the fund upon request to the fund's registered office.

R-CO CONVICTION HIGH YIELD EURO

Fonds commun de placement (mutual fund)

TITLE I

ASSETS AND UNITS

Article 1 – Co-ownership units

The co-owners' rights are represented by units, with each unit corresponding to the same fraction of the fund’s assets. Each unitholder has a right of co-ownership over the fund’s assets proportional to the number of units held.
The lifetime of the fund is 99 years from incorporation, except in the case of early dissolution or extension provided for in these rules.

Unit classes:
The characteristics and eligibility criteria for the various unit classes are set out in the fund’s prospectus.
The various unit classes may:

- apply different distribution policies (distribution or accumulation);
- be denominated in different currencies;
- be subject to different management fees;
- be subject to different subscription and redemption fees;
- have a different nominal values,
- be systematically hedged against foreign exchange risk, either partially or in full, as set out in the prospectus. This hedging process is done using financial instruments that reduce the impact of the hedging transactions for the fund’s other share classes to a minimum;
- be reserved for one or more distribution networks.

Co-owners have the right to combine or divide units of the fund.

Units may be subdivided in thousandths, referred to as fractional units.

The provisions of the rules governing the issue and redemption of units shall also apply to fractional units, whose value will always be proportionate to that of the unit that they represent. Unless otherwise stipulated, all other provisions of the rules relating to units shall apply to fractional units.

Lastly, at the discretion of the executive board of the Management Company, units may be split by creating new units to be allocated to holders in exchange for existing units.

Article 2 – Minimum assets

Units may not be redeemed if the assets of the UCITS fall below EUR 300,000; if assets remain below this amount for 30 days, the management company shall take the necessary measures to liquidate the relevant UCITS, or carry out one of the transactions referred to in Article 411-16 of the AMF’s General Regulation (transfer of the UCITS).

Article 3 – Issue and redemption of units

Units may be issued at any time upon the request of unitholders on the basis of the net asset value plus any applicable subscription fees.

Subscriptions and redemptions are executed under the conditions and according to the procedures defined in the prospectus.

Fund units may be admitted to trading in accordance with the applicable regulations.

Subscriptions must be fully paid up on the day of the net asset value calculation. They can be made in cash and/or by the contribution of financial instruments. The management company has the right to refuse the securities offered, and has seven days from when the securities are deposited to announce this decision. If accepted, contributed securities shall be valued according to the rules set out in Article 4, and the subscription shall take effect based on the first net asset valuation following acceptance of the relevant securities.

Redemptions can be made in cash and/or in kind. If the redemption in kind corresponds to a proportional share of assets in the portfolio, then the UCITS or management company is only required to obtain the written and signed agreement of the outgoing unitholder. If the redemption in kind does not correspond to a proportional share of assets in the portfolio, all unitholders must give their written approval authorising the redemption of the outgoing unitholder's units against certain specific assets, as defined explicitly in the agreement.

In derogation from the above, if the fund is an ETF, redemptions on the primary market can, with the agreement of the portfolio's management company and with respect for the interests of unitholders, be made in kind according to the conditions defined in the prospectus or the fund's rules. The assets will then be delivered by the issuer account-keeper on the terms defined in the fund's prospectus.

In general, redeemed assets are valued according to the rules set out in Article 4, and redemptions in kind are carried out on the basis of the first net asset valuation following acceptance of the securities concerned.

The redemption price is settled by the issuer account-keeper within five days of the valuation day of the units.

However, in exceptional circumstances where repayment requires assets in the fund to be sold in advance, this period may be extended, but shall not exceed 30 days.
With the exception of an inheritance or an inter vivos gift, the sale or transfer of units between unitholders, or between unitholders and third parties, is treated as a redemption followed by a subscription; if this involves a third party, the sale or transfer amount must, where applicable, be supplemented by the beneficiary to reach the minimum subscription amount stipulated in the prospectus.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code, the redemption of units by the UCITS as well as the issue of new units may be suspended on a temporary basis by the management company in exceptional circumstances and if this is deemed necessary to protect the interests of unitholders.

If the net assets of the UCITS fall below the minimum regulatory requirement, no units may be redeemed.

In accordance with Articles L. 214-8-7 of the French Monetary and Financial Code and 411-20-1 of the AMF General Regulation, the Management Company may decide, on a provisional basis, to place a cap on the fund's redemptions (the "redemption cap") if exceptional circumstances so require (the cap is not applied systematically) and in the interests of fund unitholders, to prevent any imbalance in redemption requests and the net assets of the fund that would prevent the Management Company from honouring such redemption requests on terms that uphold the interests and equal treatment of the fund's unitholders.

The redemption cap will be applied on the following terms:

I. Description of the method used

The decision to introduce a redemption cap may be taken if, on a given subscription centralisation date (the "capped centralisation date"), the difference between the portion of the fund's assets for which redemption is requested (hereinafter the "redemption percentage") and the portion of the fund's assets for which subscription is requested (hereinafter the "subscription percentage") is positive and represents more than 5% of the total net assets reported after the previous net asset value calculation date ("net assets"). The maximum duration for the redemption cap is one month.

II. Procedures for informing unitholders

Unitholders making redemption requests affected by the redemption cap will be specially notified as soon as possible after the capped centralisation date (the "reporting deadline"). The decision to introduce a redemption cap will also be published on the Management Company's website, and mentioned in the next interim report.

III. Order processing

In the event of a redemption cap, the Management Company decides on its level, net of subscriptions, which will be at least 5% of net assets (the "redemption cap level").
The redemption orders of all investors requesting redemption on a capped centralisation date will be scaled back by the same percentage (the "reduction coefficient"). The reduction coefficient is equal to the relationship between the redemption cap level and the redemption percentage net of subscriptions.
For a given unitholder, the number of units for which redemption is honoured is therefore equal to the initial number of units for which redemption has been requested multiplied by the reduction coefficient, this number of units being rounded up.
Redemption requests that have not been honoured because of the redemption cap and are pending execution will be automatically carried forward to the next net asset value dates (within one month), using the same method.
Redemption requests carried forward to the next net asset value date will not be given priority over subsequent requests.
Exceptionally, operations involving a subscription followed by a redemption, for the same number of units, based on the same net asset value and for the same unitholder (referred to as in-and-out trades) may not be subject to the redemption cap (gate).

The operational procedures for the redemption cap and the notification of unitholders are also described in the fund prospectus.

A minimum subscription amount may be applied according to the procedures set out in the prospectus.

The fund may cease to issue units pursuant to the third paragraph of Article L. 214-8-7 of the French Monetary and Financial Code, either temporarily or permanently, fully or partially, in situations that objectively require that subscriptions be closed, for example if a maximum number of units or a maximum amount of assets is reached, or at the end of a fixed subscription period. Should this provision be implemented, existing unitholders shall be informed thereof by any means, as well as of the threshold and the objective situation that led to the decision to fully or partially close subscriptions. In the event of partial closure, this information by all means shall explicitly specify the terms under which existing unitholders can continue to subscribe throughout the duration of this partial closure. Unitholders shall also be informed by any means of the decision by the management company either to end the full or partial closure of subscriptions (when falling below the threshold), or not (in the event of a modification to the threshold or a change in the objective situation leading to implementation of this provision). A change in the objective situation indicated, or in the threshold triggering the implementation of the provision, must always be made in the best interests of unitholders. Shareholders shall be informed of the exact reasons for these changes by any means.

Article 4 – Net asset value calculation

The net asset value of the units is calculated in accordance with the valuation rules set out in the prospectus.

Contributions in kind may only consist of securities, instruments, or contracts eligible to form part of the assets of the UCITS; contributions and redemptions in kind are valued in accordance with the valuation rules applicable to the calculation of the net asset value.

TITLE II

FUND OPERATIONS

Article 5 – Management company

The fund is managed by the Management Company in accordance with the fund's investment objectives.
In all circumstances, the management company shall act on behalf of unitholders and it alone can exercise the voting rights attached to the securities held by the fund.

Article 5a – Operating rules

The instruments and deposits that are eligible assets for the UCITS, as well as the investment rules, are described in the prospectus.

Article 5b – Admission to trading on a regulated market and/or a multilateral trading facility

Units may be listed for trading on a regulated market and/or a multilateral trading facility in compliance with applicable laws and regulations.
A fund whose units are admitted to trading on a regulated market and which has an investment objective based on an index, must have implemented a mechanism to ensure that the price of its units do not deviate significantly from its net asset value.

Article 6 – Depositary

The depositary shall perform the duties for which it is responsible in accordance with the legal and regulatory provisions in force and those contractually entrusted to it by the management company.
In particular, it must ensure the legality of decisions taken by the management company. Where applicable, the depositary must take any precautionary measures that it deems useful. It shall inform the AMF, in the event of a dispute with the management company.

Article 7 – Statutory auditor

A statutory auditor is appointed for a term of six financial years by the executive board of the Management Company, subject to approval by the AMF.
The statutory auditor shall certify the accuracy and consistency of the financial statements.
The statutory auditor's mandate may be renewed.

The statutory auditor shall inform the AMF as soon as possible of any event or decision concerning the UCITS of which it has become aware in the course of its work, which may:
1) Constitute a breach of the legal and regulatory provisions governing this undertaking and likely to have a significant effect on its financial position, income or assets;
2) Impair its continued operation or the conditions thereof;
3) Result in the statutory auditor expressing a qualified opinion or refusing to certify the financial statements.

Asset valuations and the determination of exchange parities used in conversions, mergers, or spin-offs shall be audited by the statutory auditor.

The statutory auditor shall be responsible for assessing all contributions or redemptions in kind, with the exception of redemptions in kind for an ETF on the primary market.

The statutory auditor shall certify the accuracy of the composition of the assets and other information before publication.

The statutory auditor's fees shall be set by mutual agreement between the statutory auditor and the Management Company's executive board on the basis of a work schedule specifying the procedures deemed to be necessary.
The statutory auditor shall certify the financial situation on which interim distributions are made.

Article 8 – Financial statements and management report

At the close of each financial year, the management company shall draw up the financial statements and a management report for the fund for the previous financial year.
The management company shall prepare an inventory of the assets of the UCITS at least twice yearly under the supervision of the depositary.
The management company shall make these documents available to unitholders within four months of the end of the financial year and shall notify them of the amount of income attributable to them: these documents shall either be sent by post, at the express request of unitholders, or made available to them at the management company's offices.

TITLE III

ALLOCATION OF AMOUNTS AVAILABLE FOR DISTRIBUTION

Article 9 – Allocation of amounts available for distribution

Net income for the year is equal to the amount of interest, arrears, premiums, bonuses, and dividends, as well as all income relating to the securities held in the fund's portfolio, plus income from temporary cash holdings, less management fees and borrowing costs.

Amounts available for distribution consist of the following:

1) Net income for the year plus retained earnings, plus or minus the balance of the income equalisation account;

2) Realised capital gains, net of charges, minus realised capital losses, net of expenses recognised for the year, plus net capital gains of the same nature recognised in prior years that were not distributed or accumulated, minus or plus the capital gains equalisation account.

The amounts indicated in points 1) and 2) above may be distributed independently of each other, in whole or in part.

Amounts available for distribution must be paid within a maximum period of five months after the year-end.

The management company shall decide on the allocation of amounts available for distribution.

For each unit class, where applicable, the fund may opt for one of the following formulas for each of the amounts mentioned in points 1) and 2):

- Pure accumulation: distributable amounts shall be fully accumulated, with the exception of those amounts which are subject to compulsory distribution by law;
- Pure distribution: all amounts available for distribution shall be distributed to the nearest round number; the company may make interim dividend distributions;
- For funds that would like to remain free to accumulate and/or distribute, and/or retain amounts available for distribution, the Management Company shall decide each year on the allocation of the amounts indicated in points 1) and 2).

Where applicable, the management company can decide, during the financial year, to distribute one or more interim dividends, within the limits of the amounts of net income recognised in each of points 1) and 2) as of the decision date, and shall also determine the amounts of any interim dividends and their distribution dates.

For the (i) distribution only and (ii) accumulation and/or distribution units, the management company shall decide each year on the allocation of capital gains (accumulated, distributed, and/or retained).

More precise details concerning the allocation of distributable amounts are provided in the prospectus.

From the application of ANC Regulation 2020-07 relating to the financial statements of mutual funds:
Amounts available for distribution consist of the following:
1) net income for the year plus retained earnings and the balance of the equalisation account, minus interim dividends paid on net income for the year;
2) realised capital gains, net of charges, minus realised capital losses, net of expenses recognised for the year, minus interim dividends paid on net realised capital gains or losses for the year, plus net capital gains of the same nature recognised in prior years that were not distributed or accumulated, minus or plus the balance of the capital gains equalisation account.

The amounts indicated in points 1) and 2) above may be distributed independently of each other, in whole or in part.
The Management Company shall decide on the allocation of amounts available for distribution.
More precise details concerning the allocation of distributable amounts are provided in the prospectus.

TITLE IV

MERGER – DEMERGER – DISSOLUTION – LIQUIDATION

Article 10 – Merger – Demerger

The management company may either merge all or part of the assets of the fund with another UCITS, or split the fund into two or more funds.
Such mergers or splits may only be carried out after unitholders have been notified. After such a transaction, new certificates shall be issued stating the number of units held by each unitholder.

Article 11 – Dissolution – Extension

If the fund's assets remain below the threshold set in Article 2 above for 30 days, the management company shall inform the AMF and proceed with the dissolution of the fund, unless the fund is merged with another fund.
The management company can dissolve the fund before the end of its intended term; it must inform the unitholders of its decision, and subscription and redemption requests will no longer be accepted after that date.
The management company shall also dissolve the fund if a request is made for the redemption of all of the units, if the custodian's appointment is terminated and no other custodian has been appointed, or upon expiry of the fund's term, unless this has been extended.
The management company shall inform the AMF by mail of the planned dissolution date and procedure. It shall then send the statutory auditor's report to the AMF.
The Management Company may decide to extend the fund, subject to the agreement of the Depositary. Its decision must be taken at least three months before the expiry of the intended term of the fund and notified to the unitholders and the AMF.

Article 12 – Liquidation

In the event of dissolution, the management company shall assume the role of liquidator; failing this, a liquidator shall be appointed by the court at the request of any interested party. To this end, the liquidator is vested with the most extensive powers to sell the assets, settle any liabilities and distribute the available balance to unitholders in cash or securities.
The statutory auditor and the Depositary shall continue in office until all liquidation proceedings have been completed.

TITLE V

DISPUTES

Article 13 – Jurisdiction – Election of domicile

Any disputes relating to the fund that may arise during the fund's existence or upon its liquidation, either between unitholders themselves or between unitholders and the Management Company or depositary, shall be referred to the jurisdiction of the competent courts.

ADDITIONAL INFORMATION FOR INVESTORS IN ITALY

Investors may contact:

- CACEIS Bank, Luxembourg Branch, in charge of:
  - processing subscription, repurchase and redemption orders and making other payments to unit/shareholders relating to the units/shares of the Fund/Sicav
  - information on how orders (subscription, repurchase and redemption) can be made and how repurchase and redemption proceeds are paid

  at the following address: 5 allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg
  or by email : FDS-Investor-Services@caceis.com

- Rothschild & Co Asset Management, concerning:
  - all claims and unit/shareholders rights related to their investment in the Fund/Sicav
  - information and documents made available to investors, such as the prospectus, key information documents and financial reports

  at the following address: 29 avenue de Messine 75008 Paris France
  or by email: clientserviceteam@rothschildandco.com
  https://am.it.rothschildandco.com/it/contacto-2/

For units/shares dedicated to Italian retails investors, please refer to the Italian application form (*modulo di sottoscrizione*) available from your usual paying agent.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Product name: R-co Conviction High Yield Euro

Legal entity identifier: 9695009DIJ1LY8E6AZ97

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 20.00% 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**

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.

What environmental and/or social characteristics are promoted by this financial product?

Through our work and MSCI ESG Research, we consider a broad spectrum of criteria relating to the E pillar (physical risks linked to climate change, water stress, waste management, etc.) and S pillar (staff training, product safety, auditing production practices, etc.) as part of our general approach.

Additionally, the investment teams seek to identify relevant and material factors as part of ex-ante analysis of ESG profiles and ex-post assessment of the sustainability trajectory of the issuer and/or industry. Based on dependencies and major impacts, the following elements may be considered: controversies (type, severity and recurrence), externalities (toxic/carbon emissions, water consumption, destruction of biodiversity, accidents, dismissals, strikes, precarious contracts, fraud, etc.) and contributions (Taxonomy alignment, participation in the United Nations sustainable development goals (SDG), alignment with the Paris Agreement temperature goal, etc.).

Sustainability indicators are used to verify 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 ex post to demonstrate the promotion of the environmental and/or social characteristics are:

- ESG profile: ESG rating, rating trends and sector distribution
- Carbon intensity: divergence from indices, sector contribution and identification of main contributors
- Transition profile: green share, SBTi reduction targets, exposure to stranded assets
- Governance: representation of women on the board of directors
- Sustainable Development Goals (SDG): percentage aligned with the SDG

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 may be assessed with respect to three pillars: (i) **contributing to an environmental or social objective**, (ii) doing so without doing significant harm and (iii) applying good governance practices.
Our definition is based on data supplied by our service provider MSCI ESG Research.
Further details are available in the document "Definition of sustainable investments" which can be found on our website: *https://am.fr.rothschildandco.com/en/responsible-investing/documentation/*

As regards corporate issuers, our approach to sustainable investment takes into account:

- Companies' general positive contribution through contributing revenue, i.e. revenue linked to activities with a positive impact on the environment or society (clean energy, energy efficiency, access to care, etc.) or to issuance of sustainable debt instruments (green, social or sustainable bonds);
- Contribution to environmental objectives, such as targets for reducing emissions in line with the Paris Agreement or reducing water use;
- Contribution to social objectives, through alignment with United Nations Sustainable Development Goal 5 (gender equality), 8 (decent work and economic growth) or 10 (reduced inequalities).

As regards public issuers, our approach to sustainable investment takes into account:

- States' general positive contribution through issuance of sustainable debt instruments (green, social or sustainable bonds);

- Positive environmental contribution: Signatory to the Paris Agreement or the United Nations Convention on Biological Diversity;

- Positive social contribution: Performance with respect to equality (Gini index) and freedom of the press (Freedom House).

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.

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 be classed as sustainable, an investment must do no significant harm to the various environmental or social objectives to which it intends to contribute.
Rothschild & Co Asset Management has defined a "do no significant harm" ("DNSH") procedure to ensure that the sustainable investments of a financial product do no significant harm to any of its environmental or social objectives. This procedure includes:

- standard sector exclusions which reduce the product's exposure to social and environmental controversies;
- consideration of the mandatory principal adverse impacts (PAIs) of these investments on sustainability factors.

We also use ESG ratings as part of our approach, as a minimal safeguard in relation to overall sustainability performance.

How have the indicators for adverse impacts on sustainability factors been taken into account?

All mandatory PAIs are taken into consideration in the Management Company's definition of sustainable investments by means of:

- sectoral and normative exclusions, including compliance with minimum guarantees, through exclusionary PAIs:
  - PAI 10 – Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, for corporate issuers;
  - PAI 14 – Exposure to controversial weapons, for corporate issuers;
  - PAI 16 – Investee countries subject to social violations, for sovereign issuers;

- a proprietary quantitative scoring model, incorporating mandatory PAIs.

Further details on the scoring model are available in the document "Definition of sustainable investments" which can be found on our website: *https://am.fr.rothschildandco.com/en/responsible-investing/documentation/*

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Detailed description:

As per our definition of a sustainable investment for corporate issuers, we check to ensure that there are no violations of the United Nations Global Compact (UNGC) or OECD Guidelines for Multinational Enterprises. To that end, we use an overall controversy indicator measuring the company's past and current involvement in violations of international standards. The regulatory frameworks considered include the following: the United Nations Global Compact (UNGC), the United Nations Guiding Principles on Business and Human Rights, the Conventions of the International Labour Organization (ILO) and the OECD Guidelines for Multinational Enterprises.

Moreover, for all the Management Company's investments, we exclude companies suspected of violating the ten fundamental principles of the United Nations Global Compact (UNGC).

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives And which 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 principal adverse impacts (PAI) on sustainability factors on which we intend to focus our efforts and resources in order to deploy our responsible investment approach:

Corporate issuers:

o Climate change

- Greenhouse gas intensity and emissions, scopes 1 and 2 (PAI 1 & 3)
- Exposure to companies active in the fossil fuel sector (PAI 4)
- Exposure to issuers that are not committed to adhering to the Paris Agreement (optional climate PAI 4)

o Human rights, business ethics and respect for human dignity

- Violation of fundamental ethical standards (PAI 10)
- Board gender diversity (PAI 13)
- Exposure to controversial weapons (PAI 14)
- Exposure to issuers with fragile anti-corruption processes (optional social/human rights PAI 15)

Sovereign issuers:

o Human rights, business ethics and respect for human dignity

- Exposure to countries implicated in human rights violations and subject to related sanctions (PAI 16)

As part of taking mandatory PAIs into account and defining our optional and priority PAIs, we relied on methodology and data from our external service provider, MSCI ESG Research.
From an operational standpoint, adverse impacts are taken into account in every aspect of our sustainability approach, including the exclusion policy, the analysis and selection process using ESG criteria, the engagement system and ESG reporting. For this product, we produce annual reports on all mandatory PAIs and optional PAIs chosen by the Management Company.

Our Policy for taking into account the principal adverse impacts in sustainability is available on our website: *https://am.fr.rothschildandco.com/en/responsible-investing/documentation/*

What investment strategy does this financial product follow?

The fund is a UCITS in the "Bonds and other debt securities denominated in euro" category. Its investment objective is to outperform the benchmark, the BofA Merrill Lynch BB-B Euro High Yield Constrained Index over the recommended investment horizon of five years, by investing primarily in high-yield bonds and negotiable debt securities, i.e. those with a rating lower than or equal to BB+ (S&P or Fitch) or Ba1 (Moody's). The asset mix of the UCITS may differ significantly from the composition of the benchmark. The yield curve and credit exposure is allocated on a discretionary basis. This exposure depends on the Management Company's expectations for interest rate spreads between government securities and securities issued by private issuers, and trends in interest rates. In order to achieve its investment objective, the fund's portfolio may be invested: (i) between 50% and 100% in bonds and debt securities (a) without a rating from a rating agency (up to 50% of assets) and/or (b) with a high-yield rating, i.e. below or equal to BB+ (S&P or Fitch) or Ba1 (Moody's); (ii) between 0% and 50% in investment-grade bonds and debt securities, i.e. with a rating at least equal to BBB- (S&P or Fitch) or Baa3 (Moodys); and (iii) up to 10% of its assets in shares or units of UCIs,

for the purposes of cash management or diversification (particularly convertible bonds). Exposure to credit risk and the asset allocation strategy across the yield curve will be implemented through direct investments (bonds or securities) or synthetically through the use of forward financial instruments (in particular CDS or CDS indices).
The portfolio of R-co Conviction High Yield Euro is: (i) made up of bonds and negotiable debt securities with fixed, variable or adjustable rates, subordinated securities (of which a maximum of 20% of net assets in contingent convertibles) and up to 100% in callable/puttable bonds, index-linked bonds, of all credit ratings and maturities, and of negotiable medium-term notes, as well as convertible bonds (maximum of 10%); and (ii) structured in line with the following overall allocation: (a) between 0% and 50% in bonds or securities issued or guaranteed by a government or issued by international lending agencies, and denominated in euro, and (b) between 50% and 100% in bonds or securities issued by private issuers and denominated in euro. Up to a maximum of 10% of the fund's assets may be invested in securities and bonds issued by non-OECD governments and/or issuers with their registered office in a non-OECD country, including emerging countries. Exposure to bonds and negotiable debt securities not denominated in EUR will remain incidental. The fund may hold equities (up to a maximum of 5% of the net assets) following the restructuring of an issuer's debt or the exercise of a conversion option attached to convertible bonds.
With a view to achieving its investment objective, especially as regards managing the portfolio's credit risk and modified duration*, the fund may use forward financial instruments (including credit derivatives), securities with embedded derivatives, and temporary purchases and sales of securities, for hedging and/or exposure purposes and within the limit of 100% of its assets. The portfolio's consolidated exposure to the fixed-income market (via securities, UCIs and forwards) will allow the portfolio's modified duration to be maintained within a range of 0 to 8.

Please refer to the prospectus for further information.

The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

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?

Adherence to our common exclusion framework

o Regulatory exclusions: controversial weapons, international sanctions and non-cooperative tax jurisdictions
o Discretionary exclusions: United Nations Global Compact (UNGC), thermal coal and tobacco

Integrating material ESG criteria into the analysis process

o An assessment combining financial and ESG criteria: the integration of ESG criteria reflects the analysis process applied by each management team; it may be applied at sector or issuer level, and at management company and/or fund level, depending on the asset class in question.

Adherence to sustainability requirements at portfolio level

o Target ESG score of at least BBB
o Minimum sustainable investments
o Minimal coverage of ESG ratings:
The percent share of positions analysed on the basis of non-financial criteria will be permanently higher than:
i. 90% of the portion of net assets invested in debt securities and money market instruments with an investment grade credit rating and sovereign debt issued by developed countries;
ii. 75% of the portion of net assets invested in debt securities and money market instruments with a high-yield credit rating and sovereign debt issued by emerging countries.
o The ESG rating of the portfolio is higher than the rating of the initial investment universe.

Active engagement

- Dialogue primarily focused around our top-priority themes (climate transition, data transparency and other sector-based material themes, etc.) and controversies
- A responsible voting policy for the entire equity scope
- Active participation in multiple industry working groups (Institut de la Finance Durable, AFG, FIR, Climate Action 100+, etc.) on key sustainable issues (climate transition plan, biodiversity, fossil fuels, fair transition, etc.)

The ESG ratings mainly come from a data provider called MSCI ESG Research, which rates companies from CCC to AAA (AAA being the best rating).
ESG monitoring is ongoing, since ESG data is fully integrated into our operational systems.
Our entire value chain (compliance, risk, investment management and reporting teams) is covered by the same ESG data flow (updated on a quarterly basis), with ESG constraints and requirements encoded into every system. This allows us to monitor ESG data on a daily basis and in real time.
Our common exclusion framework is kept up to date and encoded into the operational systems with pre-trade blocks by compliance. Specific sustainability constraints and objectives at product level are the responsibility of the risk department.
The management teams have access to ESG data and can monitor their sustainability constraints via their Bloomberg portal every day. The impact of portfolio movements on sustainability requirements are continuously assessed by the investment managers as part of the portfolio allocation process.
Furthermore, regular meetings of the investment committee and risk committee offer an opportunity to assess the sustainability risks and ESG issues associated with specific issuers and/or portfolios.
In terms of handling controversies identified by Compliance or analysts, we have set up two controversy committees. The two committees handle different types of controversies, depending on their severity and nature. They determine how controversies should be escalated and monitor them.
Lastly, alerts covering rating changes and ESG controversies are implemented by MSCI ESG Research for the investment teams and control departments, and analysts monitor the latest news. In terms of handling controversies identified by Compliance or analysts, we have set up two controversy committees. The two committees handle different types of controversies, depending on their severity and nature. They determine how controversies should be escalated and monitor them. Details of the controversy monitoring process are available in the PAI Policy.
ESG reports are produced using the same ESG data flow, then validated by the 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 initial investment universe is not reduced using a fixed selectivity rate, determined upstream of the investment process. However, the investment universe is reduced on the basis of regulatory exclusions, as well as our Management Company’s discretionary exclusions.

What is the policy to assess good governance practices of the investee companies?

To determine whether and when a company does not adopt, or no longer adopts, good governance practices, we have implemented a process on two levels:

Standards-based screening

In accordance with our common exclusion framework, sovereign and corporate issuers subject to international sanctions, located in non-cooperative tax jurisdictions or implicated in violations of the United Nations Global Compact are excluded from our initial investment universes for all our investment vehicles.

Assessment of good governance practices

The portfolio managers and analysis teams are responsible for assessing and monitoring the governance practices of the companies in which they invest.

To assess good governance practices, the investment teams consider factors including: governance data from MSCI ESG Research, commitment to international codes of conduct (e.g. UNGC signatory), analysis of issuers' transition plans through the involvement of governance, the degree of independence and diversity on the board of directors, controversies and the history of senior management and representatives of the board of directors.

Governance data from MSCI ESG Research include two sub-themes: corporate governance and corporate behaviour. The topics addressed within each of these categories include sound management structures, remuneration matters, employee relations and tax compliance. The governance aspect of our definition of sustainable investment is based on these issues.

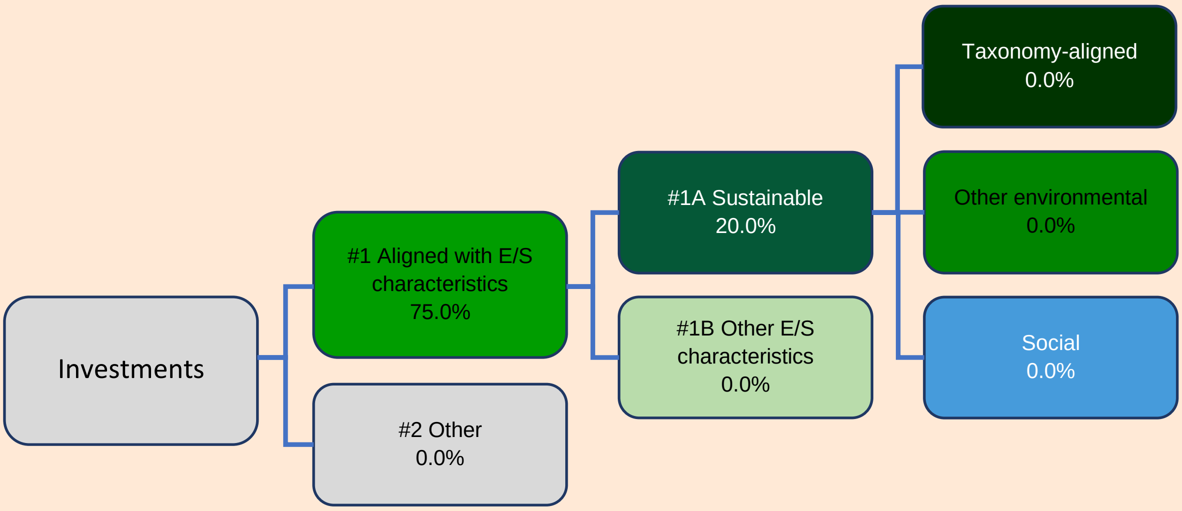
We view the assessment of good governance practices as an ongoing process. Investment teams are encouraged to engage directly with companies on their governance practices.

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 sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

While the product is committed to a minimum level of sustainable investment, no allocation between environmental and social objectives has been determined in advance, which explains the minimum of 0% for these two pillars. The asset allocation figures presented above are pre-contractual minimums expressed as a percentage of the net assets; they are not a forecast of a target allocation. For information on the percentages achieved, please refer to the annual report.

The underlying investments of the financial product that take into account the EU criteria for environmentally sustainable economic activities represent a minimum alignment commitment of 0% of investments.

A share of the financial product's net assets may be invested in instruments that do not promote environmental or social characteristics (cash, funds or derivatives). They provide technical support and uphold the fund's financial objective (hedging, movements of liabilities, etc.). Minimum ESG safeguards are applied in accordance with our sustainability approach. Details are provided in the response to the question on “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 contribute to nor affect the environmental and social characteristics promoted by the financial product. Derivatives on other asset classes do not contribute to the attainment of the environmental and social characteristics, but may affect them. For the purposes of transparency, 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 applicable criteria for **fossil gas** to be considered aligned with the EU Taxonomy include restrictions on emissions and a transition to renewable energy sources or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive rules regarding nuclear safety and waste management.

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.

Does the financial product invest in nuclear and/or fossil gas related activities that are aligned with the EU Taxonomy[1]?

☒ Yes

☒ In fossil gas ☒ In nuclear energy

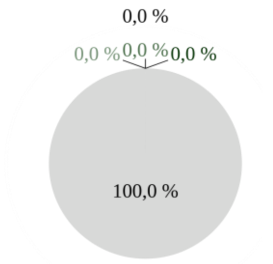
☐ No

[1] Activities related to nuclear and/or fossil gas related activities will only be considered Taxonomy-aligned if they contribute to climate change mitigation and do no significant harm to any of the objectives of the EU Taxonomy – see the explanatory note in the left-hand margin. All criteria applicable to economic activities in the nuclear and/or fossil gas related activities that are aligned with the EU Taxonomy are defined in Commission Delegated Regulation (EU) 2022/1214.

The graphs below show in green the percentage of investments that were 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.

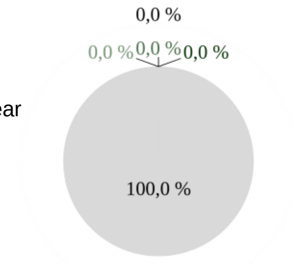
1. Taxonomy-alignment of investments **including sovereign bonds***

- Taxonomy-aligned: fossil gas
- Taxonomy-aligned: nuclear
- Taxonomy-aligned: (excluding fossil gas and nuclear)



2. Taxonomy-alignment of investments **excluding sovereign bonds***

- Taxonomy-aligned: fossil gas
- Taxonomy-aligned: nuclear
- Taxonomy-aligned: (excluding fossil gas and nuclear)



This chart represents N/A% of total investments.

* 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 in 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 of investments with an environmental objective that are not aligned with the Taxonomy is 0%. While the product is committed to a minimum level of sustainable investments overall, no allocation between environmental and social objectives has been determined in advance.

What is the minimum share of socially sustainable investments?

Within the minimum invested in sustainable investments, the minimum share of investments with a social objective is 0%. While the product is committed to a minimum level of sustainable investments overall, no allocation between environmental and social objectives has been determined in advance.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social

safeguards?

A share of the financial product’s net assets may be invested in securities that are not analysed with respect to ESG criteria. However, all investments adhere to the Management Company’s common exclusion framework, guaranteeing a baseline level of compliance with ESG principles.
The securities held in the portfolio, in accordance with the allocation levels stated in the prospectus, serve to further the financial product’s financial investment objective.
The financial product may invest up to 10% of its net assets in cash on an ancillary basis. Cash may be invested in money market funds managed by our management company, in accordance with our ESG policy and where we have complete 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.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

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.

Where can I find more product specific information online?

Further details on the financial product are available in the prospectus, the ESG policy and the policies for taking into account PAI and sustainability risks, which are available on our website: *https://am.fr.rothschildandco.com/en/responsible-investing/documentation/*