



**EDMOND
DE ROTHSCHILD**

AFG-FIR/EUROSIF SRI TRANSPARENCY CODE

EDMOND DE ROTHSCHILD TRICOLORE RENDEMENT

Updated on October 15th 2017

EDMOND DE ROTHSCHILD ASSET MANAGEMENT (FRANCE)

47, rue du Faubourg Saint-Honoré
75401 Paris Cedex 08 – France
T. +33 1 40 17 25 25 – F. +33 1 40 17 24 42

www.edram.fr

S.A. à Directoire et Conseil de Surveillance au capital de 11.033.769 euros
Numéro d'agrément AMF GP 04000015 – 332 652 536 R.C.S. Paris



CONTENTS

1. General information	4
2. Methodology used to assess issuers' ESG criteria	11
3. Investment process	14
4. Risk control and ESG reporting.....	17
Glossary (*).....	19



Declaration of commitment

Socially Responsible Investing is a fundamental feature of Edmond de Rothschild Tricolore Rendement's strategic positioning and investment strategy. We have been active in the field of SRI* since 2009 and are proud to implement the Transparency Code. This 5th year of compliance with the Code covers the period from 1st September 2015 to 31st August 2016. Our full answers to the SRI Transparency Code are disclosed below and will be available in the upcoming annual reports produced for each of our SRI focused mutual funds, as well as on our website.

Compliance with Transparency Code

The investment firm, Edmond de Rothschild Asset Management (France), commits to providing transparent communication. We consider that we are transparent as possible in light of the regulatory and competitive landscape of the country in which we operate.

October 15th 2017



1. General information

The asset management firm

1a) Name of the investment firm managing the fund relating to this Code.

This present code applies to the **FCP Edmond de Rothschild Tricolore Rendement** managed by Edmond de Rothschild Asset Management (France).

With close to €22.5 billion in assets under management as of 31/12/2014, Edmond de Rothschild Asset Management (France) is the main asset management subsidiary of the Edmond de Rothschild Group in France. With global AUM close to 49 billion euros, the Edmond de Rothschild Group is a key partner for institutional investors, banks, insurance companies and fund distribution platforms. The group's product and service offer covers a wide range of high added-value investment strategies: equity, corporate debt, asset allocation and sovereign debt, alternative funds, multi-management, Socially Responsible Investment (SRI), and overlay.

EDMOND DE ROTHSCHILD ASSET MANAGEMENT (France)

47, rue du Faubourg Saint-Honoré

75401 Paris Cedex 08

Public limited company with Executive and Supervisory Boards and a capital of €11,033,769 euros

Authorised by the AMF under reference GP 04000015

332.652.536 R.C.S. Paris

Website: <http://www.edram.fr>



1b) Please describe Edmond de Rothschild Asset Management (France)'s broad approach to integrating environmental, social and governance criteria (ESG*).

OUR APPROACH BUILDS UPON THE EDMOND DE ROTHSCHILD GROUP'S SUSTAINABLE DEVELOPMENT STRATEGY

Edmond de Rothschild Asset Management (France)'s approach to SRI feeds into a global strategy developed by the Edmond de Rothschild Group and designed to offer clients exhaustive and dedicated solutions able to reconcile their principles with the creation of value, both financial and extra-financial. This approach is supported at the highest level within the group and builds on the 5 pillars of our Sustainable Development Strategy – one of which being sustainable and responsible investment. The Edmond de Rothschild Group's strategy for sustainable development is formalised in the group's Sustainable Development Report accessible via the following link:

http://www.edmond-de-rothschild.com/SiteCollectionDocuments/group/sustainable-development/Edmond-de-Rothschild_short-sustainable-development-report-2014.pdf

EDMOND DE ROTHSCHILD ASSET MANAGEMENT (FRANCE)'S SHOWS FIRM AND DURABLE COMMITMENT BY SIGNING THE UN-PRI AND DRAWING UP THE 2013-2016 STRATEGY FOR RESPONSIBLE DEVELOPMENT



As a signatory of the UN-PRI (United Nations Principles for Responsible Investment) since 2010, Edmond de Rothschild Asset Management (France) is firmly committed to deploying resources and harnessing our teams' efforts to embed ESG¹ factors across the full spectrum of the firm's investment strategies, in a rational and progressive manner.

As UN-PRI signatories, we are committed to disclosing progress reports and improving our practices through the completion of annual reports (since 2011)². A rating is then awarded by the UN-PRI.

In order to assert this commitment, Edmond de Rothschild Asset Management (France) has entered a new phase in its SRI efforts by drawing up the firm's **2013-2016 Responsible Investment Strategy** and by publishing a **Responsible Investing Policy** on its website early 2014.

Edmond de Rothschild Asset Management (France) plays an active role in various ESG industry think tanks and contributes to promoting and fostering SRI via its commitment and involvement within working groups, notably the AFG's SRI Commission, the *Forum pour l'Investissement Responsable* – FIR, and the Eurosif-European Sustainable Investment Forum.

¹ Environment-Social-Governance

² Edmond de Rothschild Asset Management (France)'s most recent answers to the UN-PRI annual questionnaire are available via the following link:
<http://www.edmond-de-rothschild.com/SiteCollectionDocuments/asset-management/isr/EDRAM-EN-Public-Transparency-Report.pdf>



In addition, Edmond de Rothschild Asset Management (France) supports the academic research on SRI led by the **AFG's Chair for Sustainable Finance and Responsible Investing** (FDIR-<http://www.enseignement.polytechnique.fr/economie/chairefdir/mission.php>).

EDMOND DE ROTHSCHILD ASSET MANAGEMENT (FRANCE)'S VOTING POLICY

A new voting policy was drawn up at the end of 2009 that can be applied in France and globally for all equity funds managed by Edmond de Rothschild Asset Management (France). This voting policy –effective from the 2010 Shareholder Meetings season – is applied across the board to all stocks held in portfolios managed by Edmond de Rothschild Asset Management (France), as long as the information provided by the issuer is sufficient and that the custodian banks are able to register the vote. Every year, we may review or amend our voting policy as we come across specific cases or situations that were not covered.

Furthermore, the principles of this voting policy are in keeping with the SRI approach deployed by Edmond de Rothschild Asset Management (France): they set forth Edmond de Rothschild Asset Management (France)'s position on Environmental or Social resolutions submitted at shareholder meetings, in addition to fundamental governance issues.

For more details on our policy, please refer to the Voting Policy document available on our website:

<http://www.edmond-de-rothschild.fr/SiteCollectionDocuments/edram/pdf/finance-responsable-et-isr/EDRAM-voting-policy.pdf>

The 2014 Annual Report on Voting Rights is available in the SRI Expertise section of our website:

<http://www.edmond-de-rothschild.fr/SiteCollectionDocuments/edram/pdf/finance-responsable-et-isr/EDRAM-EN-annual-report-on-exercising-voting-rights.pdf>

1c) Please provide a list of your SRI funds and describe the resources that are specific to SRI strategies.

In response to evidence that environmental and social issues have become a major challenge for the years to come, and in light of existing commitments and initiatives conducted by the Edmond de Rothschild Group, Edmond de Rothschild Asset Management (France) developed its SRI fund offer:

- ⇒ With the **launch on 26th June 2009 of Edmond de Rothschild Euro SRI - the fund's name was changed to Edmond de Rothschild Euro Sustainable Growth on September 1st 2015 - the Group's first ESG selection SRI fund**. Edmond de Rothschild Euro Sustainable Growth seeks to capitalise on stocks exhibiting a positive sustainable development policy and a favourable growth outlook. Since 2009, the fund has received the SRI Label for Socially Responsible Investment (SRI)



funds from Novethic³ 6 years in a row. This label is awarded to funds that systematically take into account Environmental, Social and Governance (ESG) criteria in their investment policy and is a testimony to the impact of ESG-driven analysis on the day-to-day construction of the portfolio.

- ⇒ In 2009, with changes made to one of the group's flagship funds, **Edmond de Rothschild Tricolore Rendement**. These changes involved upgrading the fund's investment process to include a **SRI Dialogue/Engagement process on ESG issues**. In September 2011 and 2012⁴, Novethic awarded the SRI Label to Edmond de Rothschild Tricolore Rendement, with special mention for Engagement (note that the Engagement Label ended in 2012) thereby shining light on a pertinent form of SRI which remains relatively underdeveloped on the French market).
- ⇒ With the creation, on September 1st 2015, of our first SRI Credit strategy, **Edmond de Rothschild Euro Sustainable Credit**. The Eurozone credit fund is managed with a Best-in-Universe SRI approach and invests primarily Investment Grade bonds, but includes a diversification sleeve exposed to the High Yield segment.

Edmond de Rothschild Asset Management (France) also manages SRI mandates on behalf of institutional clients who are pioneering the integration of ESG factors in their investments.

Edmond de Rothschild Asset Management (France) SRI Funds	Main SRI Strategy	AUM (M€) As of 31/12/2016
Edmond de Rothschild Tricolore Rendement	Engagement on ESG issues	€1 473 M
Edmond de Rothschild Euro Sustainable Growth	Advanced ESG integration with positive ESG selection (best in universe)	€36 M
Edmond de Rothschild Euro Sustainable Credit	Advanced ESG integration with positive ESG selection (best in universe)	€75 M
SRI mandates	Advanced ESG integration with positive ESG selection (Best-in-class/ Best in universe)	€1 764 M

³ For more information on the SRI Label by Novethic (<http://www.novethic.fr/isr-et-rse/le-label-isr.html>)

⁴ Last year for the Engagement Label



Edmond de Rothschild Asset Management (France) is recognised **as a key player in the field of European Responsible Finance**, with a total **€3.35 billion under management in SRI strategies** as of December 31st 2016.

TEAM OF FUND MANAGERS AND ANALYSTS RESPONSIBLE FOR EDMOND DE ROTHSCHILD TRICOLORE RENDEMENT

Edmond de Rothschild Asset Management (France) has chosen to include the specialist SRI portfolio management and analysis resources within the investment teams in order to improve communication and information flow and to help embed extra-financial considerations across the firm's equity research capabilities.

In order to support the deployment of Edmond de Rothschild Asset Management (France)'s 2013-2016 Responsible Investing Strategy, the company has re-organised the SRI investment and analysis team, whose members have been partly redistributed within the different investment units. The rationale behind this new organisation is to promote the relevance of extra-financial issues through experienced ESG correspondents – the ultimate aim being to gradually embed extra-financial risk considerations across Edmond de Rothschild Asset Management (France)'s portfolios.

As of July 31st 2017, the SRI portfolio management and analysis includes 3 investment professionals, supported by 6 SRI correspondents based within the European Equity, Global Equity, Corporate Debt, Asset Allocation and Sovereign Debt teams.

The portfolio managers responsible for running Edmond de Rothschild Tricolore Rendement draw upon the research capabilities and ESG analysis of a dedicated and qualified team whose role is to analyse the fund from an ESG angle. This research work is conducted using a proprietary approach founded upon surveys and dialogue with the companies under analysis. To achieve this, the SRI team relies on a wide range of external information sources, including data provided by extra-financial rating agencies.

1d) Describe the contents, frequency and media used by Edmond de Rothschild Asset Management (France) to inform investors on the incorporation of ESG factors.

Information pertaining to the **Edmond de Rothschild Tricolore Rendement fund** (the fund's ESG Engagement Policy, monthly financial reporting, annual ESG engagement reports, fund inventory, full presentation material, Key Investor Information Document and prospectus) is available on Edmond de Rothschild Asset Management (France)'s website in the SRI expertise section: "Our SRI mutual funds".

Edmond de Rothschild Asset Management (France) organises regular roundtable conferences with investors to promote our SRI investment and analysis capabilities and to provide interactive and personal answers to any questions clients may have. The investment team responsible for Edmond de Rothschild Tricolore Rendement also carries out in situ client meetings.



For any additional information, investors are welcome to contact the SRI investment / research teams by email, or to set up an appointment using the Contacts page on Edmond de Rothschild Asset Management (France)'s website.

The SRI Fund Edmond de Rothschild Tricolore Rendement

1e) Please name the fund(s) which are concerned by this Code and provide an overview of their characteristics.

Launched in 1998, the Edmond de Rothschild Tricolore Rendement fund (to which this Code applies) principally invests in French stocks⁵ exhibiting attractive valuations and the potential for delivering superior returns. The fund efficiently combines:

- A style agnostic and multi-cap approach
- A focus on four performance drivers: yield, under-estimated growth, restructuring and cyclical discount.

Fund name	Edmond de Rothschild Tricolore Rendement (Part C)
Inception	4 th December 1998
AUM	€ 1 515 M (as of 31.07.17)
Currency	Euro
SRI Strategy	Engagement on ESG issues
Fund category	French equities, large capitalisations, with potential diversification to Eurozone.
AMF classification	Eurozone equities
Fund of funds	No
Benchmark	SBF 120, indicative purposes only

⁵ On April 10th 2012, the fund's investment universe was broadened to include the Eurozone (max 25% of net assets) with a view to improving the fund's diversification without changing its investment strategy.



1f) Objectives behind ESG factor integration in the management of Edmond de Rothschild Tricolore Rendement.

Edmond de Rothschild Asset Management (France) strives to optimize its SRI capabilities on a permanent basis in order to offer clients new analytical and investment tools that will enhance the resources already developed by the firm. **Our sole objective is to provide efficient investment solutions leveraging the growth of companies addressing sustainable development-related challenges.**



2. Methodology used to assess issuers' ESG criteria

2a) The fundamental principles of our ESG analysis methodology

Edmond de Rothschild Asset Management (France) considers that the **ideal responsible and sustainable company** is one that:

- Strives to create long-term value;
- Is aware that to achieve this goal, it has to address economic and financial challenges while also ensuring:
 - o Quality governance,
 - o A healthy and stimulating work environment,
 - o The ability to control and actively reduce its environmental impact,
 - o Positive conditions for developing a constructive dialogue with stakeholders (clients, shareholders and investors, suppliers, civil society...).
- Is proactive in managing risks and seizing sustainable development opportunities.

REFERENCES AND STANDARDS UPON WHICH OUR ESG ANALYSIS IS FOUNDED

The rating methodology and extra-financial analysis matrix were defined by our SRI investment /analysis team and based on existing standards and references (e.g. United Nations Global Compact, OECD and WTO conventions and official publications...).

2b) Internal and external resources for conducting this analysis

The ESG rating process is carried out in-house, as Edmond de Rothschild Asset Management (France) believes that this analysis complements financial research and provides valuable insights on the sustainability of the company's management.

Using the information published by the company, provided by extra-financial rating agencies and other stakeholders of the company, the SRI fund manager-analysts **assess the European stocks from an Environment, Social, and Governance perspective (ESG)**. Each of these pillars includes a set of extra-financial criteria. The team uses this criteria-based information to allocate the company marks, and then a final overall rating. The team can confirm the perception of the company by meeting the management, or push the analysis further by addressing issues that may not have been mentioned or that are questionable. It is during these meetings that the SRI analysis and fund management team initiates a constructive and long-term dialogue with the companies, particularly with small and mid-sized companies, with a view to raising their awareness on the ESG challenges that are specific to their business or industry.













2c) Key ESG analysis criteria

EXTRA-FINANCIAL CRITERIA USED BY EDMOND DE ROTHSCHILD TRICOLORE RENDEMENT

The key criteria used to assess the E, S, and G (Environment, Social and Governance) pillars are the following:

PRINCIPAUX CRITÈRES D'ANALYSE

 Environnement (E)	 Social (S)	 Gouvernance (G)
Management du risque environnemental <ul style="list-style-type: none"> Mise en place de système de management environnemental Intégration des risques liés au changement climatique Respect de la biodiversité 	Management des Ressources Humaines <ul style="list-style-type: none"> Qualité de l'emploi Management des carrières et des formations (GPEC) Formation et diversité Attractivité Management de la santé & sécurité 	Ethique des affaires et droits fondamentaux <ul style="list-style-type: none"> Respect des Droits humains et du travail des enfants Lutte contre la corruption et les pratiques anti-concurrentielles Transparence fiscale Lobbying responsable
Innovation verte et impact des produits <ul style="list-style-type: none"> Valeur ajoutée en environnementale des produits ou services, innovation <u>Eco-conception</u> des produits 	Impact sociétal <ul style="list-style-type: none"> Gestion de l'emploi et des restructurations Relations fournisseurs Valeur ajoutée sociale du produit ou service "Licence to <u>operate</u>" 	Board <ul style="list-style-type: none"> Indépendance du Conseil d'administration et des comités (audit, rémunération...) Séparation des pouvoirs Diversité du <u>board</u> 
Empreinte environnementale <ul style="list-style-type: none"> Emissions de Gaz à Effet de Serre Consommation d'énergie Consommation d'eau Traitement des déchets Rejets 	Relations clients <ul style="list-style-type: none"> Information et sécurité des produits et services Satisfaction clients 	CEO et comité exécutif <ul style="list-style-type: none"> Composition et fonctionnement du <u>comex</u> Profil et succession du CEO Transparence et pertinence de la rémunération 
		Actionnaires <ul style="list-style-type: none"> Audit et contrôle interne Prise en compte des intérêts des minoritaires

The analysis is systematic and formally documented in **stock monitoring factsheets and SRI rating matrices based on the 3 ESG pillars.**

2d) Methodology used for ESG analysis and assessment (construction, assessment scale...)

The SRI rating model was built:

- To provide a focus on the strongest performing companies, offering the highest reporting quality, irrespective of their financial rating, size or sector and based on a Best-in-Universe approach.
- With different weightings for ESG criteria depending on the industry and its specific issues or challenges: different extra-financial criteria are given varying degrees of importance depending on the company's sector or industry; each of the three pillars is therefore allocated a different weighting. For instance, a chemicals



company will be more concerned by environmental issues, while a services company will be allocated a higher weighting for social factors.

In order to determine whether the stock under analysis meets Edmond de Rothschild Asset Management (France)'s definition of a responsible and sustainable company, the SRI analysis teams conducts an analysis covering the 3 Environment, Social and Governance pillars. Each of these pillars includes a dozen criteria and sub-criteria, ranked on a scale of 0 to 6 depending on the materiality of the issue. The sum of these criteria results in a mark per pillar and then an **ESG mark out of 20, which becomes an internal rating on a scale of 7 ranging from CCC to AAA⁶. The rating is the aggregate of the company's performance across the E, S and G criteria** in the rating matrix run by the analysts. The weightings of the extra-financial criteria in this matrix differ based on the sector in which the company operates; however the rating is absolute and not relative to the sector's performances. The rating also takes into account the controversies that can detract from the criteria ratings ("penalty" system) and can represent 20% of more of the overall rating. Controversies can expose a divergence between the processes displayed by the company and its actual performances.

EXCLUSION OF COMPANIES INVOLVED IN CLUSTER BOMBS OR ANTI-PERSONNEL MINES

Beyond the exclusion of companies whose business is any way related to cluster bombs and anti-personnel mines - in compliance with an internal policy applicable to all EDRAM's funds (managed in house or sub-advised) - there is neither a sector, a thematic-driven exclusion/inclusion bias within Edmond de Rothschild Tricolore Rendement, nor a regional or market capitalisation bias.

2e) ESG assessment revision frequency

The ESG ratings of companies covered by our in-house extra financial analysis are updated every 18 to 24 months. The rating may also be adjusted in response to new developments, controversies or following company meetings.

As far as the ESG methodology is concerned, our main research pillars (Environment, Social, Governance– (ESG)) are not set to change. However, within these pillars, the extra-financial criteria or weightings can be modified or enhanced following the identification of new sustainable development issues.

⁶ AAA = ESG ranking above 15/20, AA = ranking between 13 and 15, A = ranking between 11 and 13, BBB = ranking between 9 and 11, BB = ranking between 7 and 9, B = ranking between 5 and 7, CCC = ranking below 5.



3. Investment process

3a) How are ESG criteria taken into account when defining the universe of eligible stocks for the portfolio?

The Edmond de Rothschild Tricolore Rendement fund is managed according to an **SRI process referred to as ESG Engagement**. Consequently, the process does not involve defining a universe of eligible stocks for the portfolio, but identifies stocks currently in the portfolio or on the buy-list that carry strong ESG risk due to their low rating (i.e. lower than A).

The SRI rating is carried out in-house by the SRI team as Edmond de Rothschild Asset Management (France) believes that ESG research, conducted in addition to financial analysis, can provide information on the sustainability of a company's management.

The objective of this ESG analysis is therefore to alert the investment team on extra-financial risks that have not been priced in by the market and which could have a negative impact on the stock's performance. Based on the ESG analysis and the rating given to the portfolio stocks, the investment team can then choose either to:

- Reduce or sell a stock if the extra-financial risk identified by the SRI investment team carries a material downside risk that is unidentified at this stage.
- Highlight any extra-financial issues that could improve thanks to an Engagement approach.

3b) How are ESG criteria taken into account at the portfolio construction stage?

The Edmond de Rothschild Tricolore Rendement fund has adopted an ESG Engagement SRI strategy; as such it does not include ex ante ESG criteria at the construction stage.

3c) Does Edmond de Rothschild Tricolore Rendement have a specific ESG Engagement process?

As the Edmond de Rothschild Tricolore Rendement fund is managed with an ESG Engagement SRI approach, a formal ESG Engagement Policy was drawn up.

As part of the integration of ESG (Environment, Social and Governance) factors, the engagement process implemented for the EdR Tricolore Rendement fund is designed to encourage companies to communicate on and improve their ESG practices, while helping to meet the fund's performance objectives.



Steered by the portfolio managers of EdR Tricolore Rendement and drawing upon the expertise of our Responsible Investment (RI) team, the fund's engagement policy is in keeping with the firm's investment philosophy: low turnover, long-term investment horizon, sizeable positions (allowing the portfolio to hold considerable stakes in some of the companies' capital), and regular meetings with the management teams.

The engagement policy differs from activism in that its objective is not to act as a substitute director or manager - with a view to influencing the company's strategy in a conflictual spirit out of expediency - but rather to initiate a positive and constructive dialogue over time.

The engagement process is based on two main aspects: on the one hand, an active voting policy and dialogue with companies ahead of the shareholders' meetings; and on the other, a more targeted engagement on ESG issues identified by the investment team.

1- Active voting policy and dialogue with companies ahead of the shareholders' meetings

Voting at shareholders' meetings is a critical moment for investors as they take part in the company's decision-making process and promote engagement. Ahead of the shareholders' meetings, the investment team responsible for EdR Tricolore Rendement sends out a document that summarises Edmond de Rothschild Asset Management (France)'s voting policy to all portfolio holdings. The fund managers then arrange ad hoc meetings with the companies' representatives in order to swap views on resolutions, express any areas of divergence, and discuss their voting decisions in full transparency. The investment team may also submit resolutions for the Shareholders' Meeting or join shareholder coalitions.

2- Targeted engagement focusing on ESG issues identified by the investment team

The investment team can also initiate targeted engagement actions on companies owned by the portfolio, having identified material ESG issues that could potentially have an impact on the stocks' valuations. These can be risks not yet spotted by the market, but that could harm the performance of the fund if they materialise; or ESG issues that are already known by the market, but could spur a rerating if the situation improves. In order to identify these issues, the managers of EdR Tricolore Rendement will rely on ESG ratings conducted by the RI team and on their regular discussions as part of the ESG integration process implemented within Edmond de Rothschild Asset Management (France).

Once the engagement action has been defined, the investment team initiates a process in several stages:

- The managers will discuss and challenge the ESG issues identified during the regular meetings held with the management team, and may request further meetings to cover specific points. Where possible, they will also request indicators in order to monitor the identified issue over time in an objective manner.
- A report covering the main reasons behind the engagement initiative will be systematically sent to the company.
- For purposes of monitoring and traceability, engagement initiatives are compiled with detailed information in a specific "Annual ESG Engagement Report".



-The investment team will regularly include any changes relating to the identified ESG issues in its strategic and financial assessment of the company and will decide whether the portfolio position requires adjusting.

3d) Is there a specific Voting Policy for Edmond de Rothschild Tricolore Rendement?

Edmond de Rothschild Tricolore Rendement does not have its own Voting Policy. **Edmond de Rothschild Asset Management (France)'s voting policy** applies consistently to all equity funds⁷ managed by the firm, including Edmond de Rothschild Tricolore Rendement.

3e) Does the Edmond de Rothschild Tricolore Rendement fund lend or borrow securities?

No, the fund does not borrow or lend securities.

3f) Does the Edmond de Rothschild Tricolore Rendement fund use derivatives?

No, the fund does not use derivatives.

3g) Does the Edmond de Rothschild Tricolore Rendement fund invest in high social benefit unlisted companies?

No, the fund does not invest in high social benefit unlisted companies.

⁷ cf. section 1.b) / Edmond de Rothschild Asset Management (France)'s Voting Policy



4. Risk control and ESG reporting

4a) Internal and/or external controls designed to ensure portfolio compliance with ESG rules as defined in section 3 of the Code

Edmond de Rothschild Asset Management (France)'s Compliance and Internal Control team carries out regular controls on the investment process and ESG analysis methodology implemented for the fund. These reviews involve ensuring that each portfolio holding is documented (stock factsheets) and has received an internal SRI rating.

4b) Media used to communicate on the SRI approach applied to Edmond de Rothschild Tricolore Rendement

Please click on the following links to view the entire range of documents available for the fund:

- Prospectus :

http://medianet.edmond-de-rothschild.fr/edram/pdf/Prospectus_TRICOLORE%20RDT_fr.pdf

- Key Investor Information Document (DKIID):

http://medianet.edmond-de-rothschild.fr/edram/pdf/KIID_FR0010588343_fr.pdf

Factsheet/performance report:

http://medianet.edmond-de-rothschild.fr/edram/pdf/Monthly_Factsheet_FR0010588350_fr.pdf

- Corporate SRI page:

<http://www.edmond-de-rothschild.com/site/France/fr/asset-management/nos-expertises/investissement-socialement-responsable>

- Specific section on Edmond de Rothschild Tricolore Rendement:

<http://funds.edram.com/fr/edmond-de-rothschild-tricolore-rendement-fr0010588343>

- Voting policy:

<http://www.edmond-de-rothschild.fr/SiteCollectionDocuments/edram/pdf/finance-responsable-et-isr/EDRAM-politique-de-vote.pdf>

- Edmond de Rothschild Tricolore Rendement's Engagement Policy

<http://www.edmond-de-rothschild.com/SiteCollectionDocuments/asset-management/isr/EDRAM-FR-Politique-Engagement-Tricolore-Rendement.pdf>

- EdR Tricolore Rendement's Annual Engagement Report.

<http://www.edmond-de-rothschild.com/SiteCollectionDocuments/asset-management/isr/EDRAM-FR-Reporting-engagement-ESG-Tricolore-Rendement.pdf>



- **Lien to providers of ESG analysis:** <http://www.sustainalytics.com/>
<https://www.reprisk.com/>

- **Edmond de Rothschild Group's Sustainable Development Report:**

http://www.edmond-de-rothschild.com/SiteCollectionDocuments/group/sustainable-development/Edmond-de-Rothschild_court_rapport-de-developpement-durable-2014.pdf .



*GLOSSARY

SRI (Socially Responsible Investment)

Applying sustainable development principles to investing. Approach to investing which systematically and concurrently takes into account the three dimensions that are Environment, Social and Governance (ESG) in addition to the usual financial criteria. Implementation methods can vary from positive selection to exclusion, or a combination of both, and include (where relevant) criteria for issuer dialogue.

Sustainable Development

“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. This concept includes at least the three economic, social and environmental dimensions.

ESG criteria (Environment, Social, Governance)

Environmental Dimension: refers to the direct or indirect impact of an issuer’s activity on the environment.

Social Dimension: relates to the direct or indirect impact of an issuer’s activity on stakeholders based on universal values (human rights, international labour standards, anti-corruption...)

Governance Dimension: set of policies, regulation, laws and institutions that influence how a given company is managed, administered and controlled. This dimension also includes relations between the many stakeholders and the objectives that govern the company. These key players include the shareholders, executive managers, and members of the board of directors.

Engagement

Investor action (pension funds, insurance companies, asset management firms...) designed to influence the behaviour of a company over the mid to long-term through the promotion of a deeper integration of environmental, social and governance factors. This action also comprises dialogue with companies (on an individual or collective basis), and fund managers’ voting practices - including the submission of resolutions at shareholder meetings.

CSR (Corporate Social Responsibility)

Applying sustainable development principles to business. Corporate initiative to assess and take responsibility for the company's effects on the environment, impact on social welfare, and governance (ESG) in the context of its business and stakeholder relations.

Stakeholders



A group or individual that can affect (or be affected by) a given entity as it meets its objectives. In the case of a company, the term refers to all people or legal entities (employees, shareholders, clients, suppliers, local authorities, NGOs, trade unions, civil society...) with whom it has direct or indirect relations.

SRI Engagement approach/ ESG Engagement

This approach consists in engaging a positive, constructive, and medium to long term dialogue with companies and voting at shareholder meetings to encourage them to improve business practices and communicate on ESG (Environment, Social, Governance) issues clearly identified by Edmond de Rothschild Asset Management (France). The objective is for the companies to improve their practices, transparency and awareness of ESG challenges.

ESG Screening

Edmond de Rothschild's SRI investment team assesses portfolio holdings or stocks that feature on the potential buy-list from an extra-financial point of view. The team gives each company a rating based on the four research pillars: Environment, Social, and Governance resulting in an overall SRI rating constructed from the different weightings given to each pillar for the company concerned.

Materiality

The materiality of environmental, social and governance issues reflects the impact that an improvement/removal of these challenges can have on a company's stock market performance.

United Nations Global Compact

The Global Compact was launched in 1999 at the Davos Economic Forum in Switzerland by Kofi Annan, former Secretary General of the UN. The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.



DISCLAIMERS

Key investment risks: risk of capital loss, discretionary management risk, equity risk, interest rate risk, credit risk and foreign exchange risk. The synthetic risk indicator and performance ranks on a scale of 1 to 7 this UCITS in category 6, which reflects the exposure up to 110% of its assets on equity markets, which present a high risk/return profile.

Completed draft on 01/09/2015. Non-contractual document. This document is provided exclusively for information purposes.

The data, comments and analysis contained in this document reflect Edmond de Rothschild Asset Management (France)'s views on the markets, their evolution, their regulation and their taxation, given the expertise, the economic analysis and information available on the day of publication. The information cannot however constitute a commitment or guarantee from Edmond de Rothschild Asset Management (France). Any potential investors must consult their investment service provider or advisor in order to form their own opinion as to the risks inherent in each UCITS and on whether the risks are appropriate to their own financial and personal situation. For this purpose, investors are required to read the key investor information document (KIID) for each UCITS delivered prior to any subscription and available upon request from Edmond de Rothschild Asset Management (France)'s headquarters or on the website www.edram.fr. The reference the fund's SRI Label is no guide to future results delivered by the UCITS or its fund manager. For more information regarding the Novethic SRI label, see www.novethic.fr. You can also visit our website www.edram.fr to find out more on our SRI expertise.

Ce document is published by:

Edmond de Rothschild Asset Management (France)

47, rue du Faubourg Saint-Honoré - 75401 Paris Cedex 08

Public limited company with Executive and Supervisory Boards and a capital of €11,033,769 euros

Authorised by the AMF under reference GP 04000015

332 652 536 R.C.S. Paris

Tel: +33 (0)1 40 17 25 25 - Fax: +33 (0)1 40 17 24 42