EDMOND DE ROTHSCHILD

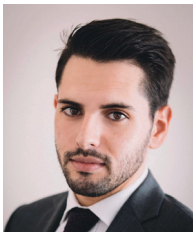
MARKETING COMMUNICATION

Why invest in a Short Duration Credit strategy?

Short duration corporate bonds are, by definition, bonds issued by private companies with a residual maturity under 3 years. As their maturity date is relatively close, they naturally offer excellent visibility on their potential performance.



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A structural defensive positioning

Structurally, this type of bond has a much shorter modified duration than its more recently issued counterparts. Indeed, while sensitivity to interest rate movements and credit premiums stands at around 5 years for higher quality bonds and at almost 3 years for High-Yield bonds, the modified duration on a short duration index will range between 1.5 and 2.

If this implies a weaker upside potential in bullish markets, their true appeal lies in their defensive characteristics - which, ultimately, deliver a carry yield with much lower volatility. As such, short duration strategies meet the needs of conservative clients within the fixed income space, or investors seeking an alternative to very short-term bonds - though admittedly with higher risk.

	Euro IG 1-3Y	Euro Hy 1-3Y	Euro IG	Euro HY	Euro Sov.	SHORT 50%IG 50%HY
Modified duration	1,85	1,65	4,4	2,8	7	1,75
YTM[1]	2,75	5,35	3,16	5,8	2,7%	4,05%
Credit rating	A-	BB-	A-	BB-	A+	BBB-

Sources: ICE ER01, H1EC, ER00, HE00, EG00 indices as of 17/06/2025

Highly enviable risk-adjusted returns

Over the past decade, the defensive profile of the asset class is reflected in its risk-adjusted performances, which remain attractive relative to all other bond segments. In the opposite graph, the green line refers to the 10-year cumulated performance of an index based on 50% short Euro IG and 50% Short Euro HY, i.e. a cumulated return of 24% with a volatility of only 2.6%. This segment also displays the most attractive volatility-adjusted performance ratio!

*The fund managers referred to in this document may change during the life of the product.
1. Yield to Maturity: refers to the yield generated by a bond if held until maturity.

MARKETING PUBLICATION: This is a marketing publication. Please refer to the fund prospectus and to the KID before making a final investment decision.

	10-year performance	Annualised 10-year performance	10-year volatility	Performance/ volatility
1-3Y Euro IG - ER01	10,20%	1,00%	1,30%	0,74
1-3Y Euro HY - H1EC	39,20%	3,40%	4,20%	0,79
Euro Corp all Mat - ER00	13,50%	1,30%	3,80%	0,34
BB-B Euro HY all Mat - HEC5	38,90%	3,30%	6,30%	0,53
Euro Sov all Mat - EG00	4,00%	0,40%	5,20%	0,08
1-3Y EURO HY + 1-3Y EURO IG	**24,00%**	**2,20%**	**2,60%**	**0,84**

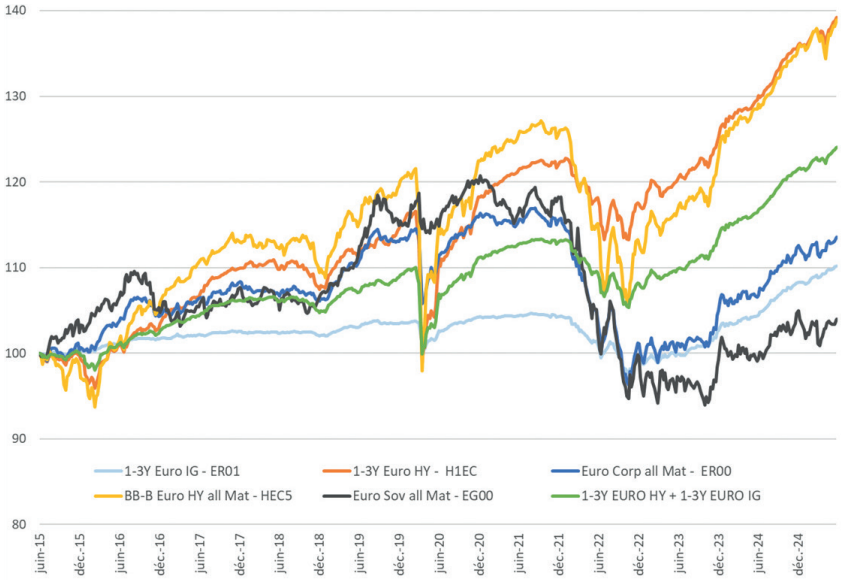
Sources: ICE ER01, H1EC, ER00, HE00, EG00 indices as of 17/06/2025

Liquidity and market depth

In addition, the multiple players operating within this segment (short-term funds, private banks, brokers, insurance companies, private clients) guarantee high market liquidity, both on the buy and sell-side. The many funds available in the market with assets under management above 1 billion euros also highlight the durability and depth of the short-term segment.

This can be estimated based on the size of underlying indices, with over 1,000 billion short-term high-quality bonds across more than 1,400 issuances, and 120 billion short-term High-Yield bonds across around 220 issuances. Short-duration credit is a very deep and liquid segment, conducive to the construction of a diversified portfolio aimed at enhancing the short-term carry yield.

10-year cumulative performance



Improved visibility on the credit profile

Furthermore, 12 to 18-month visibility on corporate balance sheets is rather high at present, which - all else being equal - allows us to select companies that have already refinanced their debt with longer-term maturities. While the portfolio clearly carries some credit risk, the latter is offset by diversification and by improved visibility on the credit profile of its underlying companies.

Suited to periods of flattening short-term rates

Finally, today's short-term rate compression - with the ECB's deposit rate at 2% and expected to fall to 1.75% by year-end - is reducing the appeal of term deposits. In this environment, short-term bond strategies allow investors to take on a little more risk and thereby generate excess performance. Indeed, a short-term index paying out 4% today offers a 2% higher cash yield for a historic volatility of 2.6%.

Past performance and volatility are no guide to future performances and volatility, are not constant over time and may be independently impacted by forex markets.

How does Edram address this opportunity?
EdR Sicav Short Duration Credit

Launched over 5 years ago, EDR SICAV Short Duration Credit invests in the short-term bond universe and applies a flexible approach. Over the past five years (30/06/2020 -30/06/2025), the fund's A EUR share class has delivered an annualised return of 2.51% (or 13.2% cumulated performance) with a volatility of 2.9%, effectively achieving its defensive mission in the challenging bond markets of 2020 and 2022. As a comparison, the Euro Corporate index - which includes high quality corporate bonds across all maturities - delivered an annualised performance of 0.32% over the same period[2].

EdR SICAV Short Duration Credit aims to maximise carry while limiting sensitivity to interest rates, with a structurally low duration of around 2 years.

The fund focuses on the BBB-BB section of the rating spectrum ("crossover-type" companies displaying a low refinancing risk) with a minimum 30% exposure to IG bonds and HY bonds.

The fund invests in a bond structure based on maturity baskets, with approximately 20% of the portfolio maturing every year from year one to year five, thereby providing constant liquidity and reinvestment opportunities at new market conditions.

Owing to its flexible credit allocation, aimed at capturing carry opportunities while limiting duration risk[3], the fund ticks the boxes for both "all-weather" and defensive bond allocations.

2. Performance of the A-EUR (retail) share class of EdR SICAV Short Duration Credit since inception (20/01/2020) as of 30/06/2025: +9.49, or 1.68% annualised vs 12.53% or 2.19% for the fund's benchmark (50% ICE BofA BB-CCC 1-3Y Euro DM HY Constrained + 50% ICE BofA 1-5Y A-BBB Euro Corporate).

3. The fund carries a risk of capital loss.

Disclaimer

This is a marketing communication. Please refer to the UCITS prospectus and the Key Information Documents before making any final investment decision. EdR SICAV Short Duration Credit is a sub-fund of the French SICAV approved by the AMF and authorized for marketing in Belgium, Switzerland, Germany, Spain, France, Italy and Luxembourg.

Fund characteristics*

Investment Objective: The fund aims to outperform its benchmark (50% ICE BofA 1-5 Year A-BBB Euro Corporate Index by investing in corporate bonds over the recommended investment period, net of fees. To achieve this objective, additional return will be targeted through active management of interest rate and credit risks.
ISIN Codes: Share A: FR0013460920 / Share I: FR0013461571
Inception date: 20/01/2020
Maximum management fees: Share A: 0.70% incl. tax / Share I: 0.35% incl. tax
Minimum initial subscription: Share A: 1 share / Share I: €500 000
Subscription fee: Share A: 1% maximum / Share I: None
Redemption charges: None
Variable management fees Shares A & I; 15% of outperformance above the benchmark Benchmark: 50% de ICE BofA 1-5 Year A-BBB Euro Corporate Index, coupons reinvested & 50% ICE BofA BBCCC 1-3 Year Euro Developed Markets High Yield Constrained index, coupons reinvested
Recommended investment horizon: > 2 years
*Shares described herein are the main euro-denominated shares. The fund also has shares in other currencies. Please ask you sales contact for any further information.Please note that not all costs and share classes are disclosed in this documents. Please refer to the KID/prospectus for further details.

Main investment risks

Risk indicator: 1 **2** 3 4 5 6 7

The risk indicator rates this fund on a scale of 1 to 7. This indicator is used to assess the level of risk of this product in comparison to other funds and a category 1 rating does not mean that the investment is risk free. In addition, it indicates the likelihood that this product will incur losses in the event of market movements or our inability to pay you.This indicator assumes that you hold the product until the end of the recommended holding period of this fund. The actual risk may be very different if you choose to exit before the end of the recommended holding period of this Fund. The risks described below are not exhaustive. **Risk of capital loss:** The UCITS does not guarantee or protect the capital invested; investors may therefore not get back the full amount of their initial capital invested even if they hold their units for the recommended investment period.
Credit risk linked to investments in speculative securities: The UCITS may invest in issues from countries or companies rated, at the time of purchase, as "non-investment grade" by a rating agency (rating of less than BBB- according to Standard & Poor's or any other equivalent rating assigned by an independent agency that has an equivalent internal rating issued by the Management Company) or which are considered equivalent by the Management Company. These issues are securities deemed speculative and present a higher risk of issuer default. This UCITS should be considered partly speculative and aimed specifically at investors who are aware of the risks inherent in investing in these securities. Thus, the use of "high yield" securities (speculative securities presenting a greater risk of issuer default) may result in a greater risk of falling NAV.
Credit risk: The main risk linked to debt securities and/or money market instruments such as treasury bills (BTFs and BTANs) or short-term negotiable securities is that of issuer default, due either to the non-payment of interest and/or the non repayment of capital. Credit risk is also associated with the downgrading of an issuer. Shareholders are reminded that the net asset value of the Sub-fund is likely to fall if a total loss is recorded on a financial instrument following default by an issuer. The inclusion of debt securities in the portfolio, whether directly or through UCIs, exposes the Sub-fund to the effects of variations in credit quality.
Interest rate risk: By holding debt securities and money market instruments, funds are exposed to changes in interest rates. This risk is defined as a rise on interest rates causes a decline in bonds valuation and therefore a fall in of the fund's NAV.

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