



R-co Conviction Convertibles Europe

Fonds Commun de Placement (mutual fund)

Prospectus

Updated 20 February 2026



UCITS governed by
European Directive
2009/65/EC

R-co CONVICTION CONVERTIBLES EUROPE

I. General characteristics

FORM OF THE UCITS:

Name	: R-co CONVICTION CONVERTIBLES EUROPE
Legal form	: French <i>fonds commun de placement</i> (mutual fund)
Date of incorporation	: 1 April 1997
Intended lifetime	: 99 years
Fund overview:	

Unit classes	ISIN	Allocation of amounts available for distribution	Currency of issue	Eligible investors	Minimum initial subscription amount ^{1 2}
C EUR	FR0007009139	Accumulation	EUR	All investors	one unit Initial net asset value: EUR 152.45
CL EUR	FR0013293982	Accumulation	EUR	See below*	one unit or EUR 500,000 for institutional investors Initial NAV: equal to the NAV of the C EUR unit on the day of creation of the CL EUR unit
IC EUR	FR0011415280	Accumulation	EUR	All investors but specifically intended for institutional investors	EUR 3 million* Initial net asset value: EUR 100,000
P EUR	FR0011843952	Accumulation	EUR	See below*	EUR 5,000 or EUR 500,000 for institutional investors Initial net asset value of one unit: EUR 1,000

¹ The Management Company or any other entity belonging to the same group is exempt from the initial minimum subscription obligation.

²The Management Company reserves the right to waive this minimum initial subscription requirement.

³ Subsequent subscriptions may be for whole units or fractions thereof.

* Subscription for these units is reserved for:

1) Investors subscribing through distributors or intermediaries:

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

or

- o 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 for CL EUR and P EUR units.



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The fund has four unit classes: C EUR, CL EUR, IC EUR, and P EUR. These four classes differ mainly in terms of their currency of issue, management fees, subscription and redemption fees, their par value, their systematic hedging against foreign exchange risk, and the distribution network(s) for which they are intended.

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 eight working days of the holder'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

Depositary, Custodian:

Rothschild & Co Martin Maurel
Société anonyme, trading under the name Rothschild Martin Maurel
29, avenue de Messine – 75008 PARIS
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:

Deloitte & Associés
6 Place de la Pyramide
92908 Paris La Défense Cedex
Signatory: Virginie Gaitte

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 & Co Martin Maurel

Société anonyme, trading under the name Rothschild Martin Maurel

29, avenue de Messine – 75008 PARIS

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:

- ISINs:
 - C EUR unit : FR0007009139
 - CL EUR unit : FR0013293982
 - IC EUR unit : FR0011415280
 - P EUR units : FR0011843952
- Type of right attached to the unit class: The right attached to the accumulation 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". Please note that subscription and redemption requests for shares to be registered or already registered in pure registered form with IZNES can only be accepted if the two following conditions are met: (i) that they do not come from a retail client and (ii) that this client has previously been approved by Rothschild & Co Asset Management to do so.
- 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. This fund can be used in unit-linked life insurance policies.
- Fractional units: Fund units are broken down into ten thousandths of units.

Closing date: Last trading day of December (1st closing: December 1997)



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. This fund can be used in unit-linked life insurance policies.

III. 2. SPECIAL PROVISIONS:

ISIN:

- C EUR unit : FR0007009139
- CL EUR unit: FR0013293982
- IC EUR unit: FR0011415280
- P EUR unit: FR0011843952

Delegation of financial management: No

Investment objective: R-co Conviction Convertibles Europe's investment objective is to outperform, net of fees, the FTSE Convertibles Indices Europe EUR, coupons reinvested, while having at least 60% of its net assets continuously invested in bonds that are convertible into or exchangeable for an underlying listed on a European market. It follows a discretionary management approach.

Benchmark: The benchmark is the FTSE Convertibles Indices Europe EUR, calculated by LSEG with coupons reinvested. It covers the market for European exchangeable and convertible bonds, across all business sectors, selected on the basis of compliance with minimum liquidity criteria. This index is available on the website: <https://www.lseg.com/en/ftse-russell/indices/convertible-indices> and via Bloomberg (**UCBIEUEU Index**).

When this prospectus was last updated, the administrator of the benchmark index was not listed on ESMA's register of benchmark administrators and benchmark indices.

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 investment objective of this UCITS is to outperform, net of fees, its benchmark, the FTSE Convertibles Indices Europe EUR, coupons reinvested, over the recommended investment period. The asset mix of the UCITS may differ significantly from the composition of the benchmark index.

The fund is not an index-linked UCITS.

1. Investment strategies:

1. Description of strategies used:

- The portfolio's global strategic allocation is as follows:

The UCITS is specialised in the management of convertible and exchangeable bonds, which have both an equity component and a fixed income and/or credit component. The resulting exposure to financial markets is thus unstable and fluctuates significantly. The equity exposure will tend to increase with an appreciation in the underlying share at the expense of the fixed income exposure, and vice versa.

To achieve its investment objective, at least 60% of the net assets of the portfolio of R-co Conviction Convertibles Europe is invested in convertible or exchangeable bonds with an underlying listed on a European market.

The overall allocation is as follows:

- between 60% and 100% of the fund's net assets in one or several fixed-income markets in products issued by governments or private issuers, whether investment grade or not. Investments in non-rated securities may represent up to 100% of the fund's net assets. The portion of convertible or exchangeable bonds with an underlying listed on a European market will not be less than 60% of the portfolio,
- between 0% and 40% of the fund's net assets in one or more European equity markets,
- between 0% and 10% of net assets in units or shares of European UCITS governed by European Directive 2009/65/EC or French UCITS (including units or shares of UCITS of the Rothschild & Co group).

The fund may also use forward financial instruments traded on French and foreign regulated or over-the-counter markets (interest rate, currency and index swaps, credit derivatives, in particular credit default swaps, futures and options on equities, bonds, indices or currencies) in order to achieve its investment objective. To do this, it hedges its portfolio and/or exposes it to interest rates, indices, currencies, equities and credit risk.

The fund can also invest up to 10% of its assets in contingent convertible bonds.



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Direct and indirect equity exposure, including any off-balance sheet exposure, shall not exceed 100%. Direct and indirect fixed-income exposure, including any off-balance sheet exposure, will serve to keep the portfolio's modified duration within a range of -1 and 9.

Direct and indirect exposure to foreign exchange risk, including any off-balance sheet exposure, shall not exceed 100%.

Securities rated high yield by rating agencies will not represent more than 50% of net assets.

Up to 20% of the fund's net assets may be exposed to non-OECD countries.

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

Foreign exchange risk for unitholders.

- Criteria for selecting securities:

The fund's three sources of value-added are fixed-income, equities and implied volatility. The manager combines a top-down and bottom-up approach to define the relative importance of each source of added value.

1. For the fixed-income segment, the following sources of added value are used for management:
 - **Modified duration:** The portfolio's modified duration is increased if the portfolio manager anticipates a decrease in interest rates and vice versa.
 - **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 three steps:
 - A quantitative analysis based on the probability of default:
 - using a broad range of public data and statistics on each company;
 - comparing this data with that of companies in the same economic sector;
 - determining a theoretical valuation and comparing this with the market valuation.
 - 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);
 - determining the probability of survival within the sector.
 - **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.
2. For the equity segment:

The management process for the UCITS combines a top-down and bottom-up approach, thus identifying two sources of added value:

 - Securities selection is based on a fundamental approach that involves two steps:
 - A quantitative analysis to determine the attractiveness of the valuation using multiples tailored to each industry (Enterprise Value/Capital Employed, Enterprise Value/EBITDA, P/E, etc.);
 - A qualitative analysis based on an understanding of the competitive situation and profitability drivers (supply/demand imbalance, cost-benefit analysis, patents, brands, regulations, etc.);

Most of the added value of our process therefore relies on a bottom-up approach, based on the fundamental analysis of companies, to assess whether the implicit profitability assumptions resulting from the valuation appear justified, overestimated, or underestimated.

Sector allocation results from a comparison between bottom-up and top-down analyses.

 - A top-down dimension makes it possible to incorporate a number of parameters influencing profitability outlooks for various sectors into the fundamental analysis: interest rates, foreign exchange rates, changes in the demand, etc. It helps identify and cover the risks derived from the bottom-up analysis.

For the fixed-income and equity segments, financial analysis incorporates a qualitative analysis of ESG criteria. The ESG and financial analysis teams, as well as the management teams, are committed to understanding, analysing and assessing the sustainability risks and opportunities specific to the business sectors and securities. Investment decisions and portfolio management are based on our own analyses and on the research of MSCI ESG Research. In particular, we use the annual sustainability and CSR reports of companies, our discussions in meetings with corporate management teams, the specialised ratings of financial analysts, NGO reports, specialised academic research and freely available databases such as the analyses made by the Science Based



Targets initiative (SBTi), the Transition Pathway Initiative (TPI) and the Carbon Disclosure Project, to incorporate as many ESG criteria as possible into our convexity analyses. If a controversy arises, we endeavour to contact the company within a reasonable timeframe and may revise our investment case.

3. For the implied volatility segment:

The management process for the UCITS combines a top-down and bottom-up approach to decide whether to increase or decrease exposure to implied volatility risk. If implied volatility is deemed to be low, the UCITS will be more exposed to this risk than if it is deemed to be too high.

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.

Non-financial criteria:

The portfolio's investment universe is the FTSE Convertibles Indices Europe EUR, coupons reinvested. The Management Company may select securities which are not included in the benchmark that makes up its investment universe. However, it will ensure that the benchmark chosen provides 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 equities issued by companies with a market capitalisation of over EUR 10 billion that have their registered office in a developed country, 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 equities issued by companies with a market capitalisation of less than EUR 10 billion or with their registered office located in an emerging country and debt securities and money market instruments with a high yield credit rating.

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 non-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 non-financial criteria above, as well as through exclusion policies, the non-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:** 0-40% of net assets

In accordance with the holding range specified in the table below, the UCITS will invest in one or more European equity market(s) (with a maximum of 20% in the securities of non-OECD countries including emerging countries) across all industrial sectors and all market capitalisations (with a maximum of 10% in small caps, including micro caps, where small caps refers to companies with a market capitalisation of less than EUR 1 billion).

- **Debt securities, money market instruments, and fixed-income or convertible products:** 60%-100% of net assets.

In accordance with the holding range specified in the table below, the fund will invest in fixed-income products, negotiable debt securities, such as short-term negotiable securities and Euro Commercial Paper. Investments will be made in investment grade and non-investment grade securities in the European Union.

The fund will invest at least 60% of its net assets in convertible or exchangeable bonds, and up to 100% of its net assets in callable and 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 also invest up to 10% of its assets in contingent convertible bonds.

Securities rated high yield by rating agencies will not represent more than 50% of net assets. Investments in non-rated securities may represent up to 100% of the fund's assets. The corporate/government debt distribution is not determined in advance and will be determined based on market opportunities. There is no minimum credit rating requirement.

- **Shares or units held in other UCITS, AIFs, or foreign investment funds:** 0-10% of net assets

Within the holding range specified below, the UCITS may hold:

- units or shares of French or European UCITS funds 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 (directly or by delegation) or advised by the Rothschild & Co group.

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

	Equities	Fixed-income or convertible products	Units or shares of UCIs or investment funds
Holding ranges	0-40%	60-100%	0-10%
investment in small-cap instruments	0-10%	None	0-10%
investment in financial instruments of non-OECD countries	0-20%	0-20%	0-10%
Investment restrictions imposed by the Management Company	None	High-yield securities 0-50%	None

3. Use of derivatives:

The UCITS may invest in regulated, organised, or OTC markets.

The portfolio manager will invest in equity, interest rate and foreign exchange risk for the purposes of exposure and/or hedging. These investments will be made in order to achieve the investment objective.

To do this, it hedges its portfolio and/or exposes it to business segments, indices, fixed-income products, currencies, equities and credit risk. In particular, the portfolio manager may invest in interest rate, performance, index and currency swaps, credit derivatives, and equity and index futures and options.

The portfolio's direct and indirect equity exposure, including exposure resulting from the use of forward financial instruments, will not exceed 100%.

The direct and indirect exposure to the fixed-income market, including exposure resulting from the use of forward financial instruments, will allow the portfolio's modified duration to remain within a range of between -1 and 9.

The direct and indirect currency exposure, including exposure resulting from the use of forward financial instruments, will not exceed 100%.

The portfolio's overall exposure, including exposure resulting from forward financial instruments, will not exceed 200%.



Credit derivatives:

The credit allocation is determined on a discretionary basis by the manager.

The credit derivatives used are basket and single-entity CDS, CDS options and CDS index tranches.

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;
- in order to take advantage of the expected deterioration in the credit quality of an issuer or basket of issuers.

and for exposure purposes through the sale of protection against:

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

Overexposure through the use of credit derivatives will not exceed 100% of the fund's net assets. The universe of credit risk exposure through the use of CDS will be limited to the investment grade category.

Please note that the fund will not use Total Return Swaps (TRS).

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:

The fund uses securities with embedded derivatives (subscription warrants, warrants, index-linked or structured BMTNs/EMTNs, auto-callables, convertible bonds, callable and puttable bonds, and securities with simple embedded derivatives that have a similar risk profile to that of the previously listed instruments) in order to achieve the investment objective and, in particular, to manage its equity market exposure. The fund may also invest up to 10% of its net assets in contingent convertible bonds, and up to 100% in callable and puttable bonds including make-whole call bonds.

The direct and indirect equity market exposure, including exposure resulting from the use of securities with embedded derivatives, will not exceed 100%. The direct and indirect fixed-income exposure, including exposure resulting from the use of securities with embedded derivatives, will allow the portfolio's modified duration to remain within a range between -1 and 9.

The direct and indirect currency exposure, including exposure resulting from the use of securities with embedded derivatives, will not exceed 100%.

5. Deposits:

The UCITS may invest up to 20% of its assets in euro deposits with a maturity of up to three months in order to earn a return on its cash.

6. Cash borrowings:

The UCITS 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: None

Information regarding the financial collateral of the UCI:

As part of transactions in over-the counter derivatives, the UCI 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.

Haircuts 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;
- invested in money market UCIs.



Risk profile:

1. **Risk of capital loss:** Holders have no capital guarantee.
2. **Specific risk associated with investment in convertible bonds:** investors should be aware that, because of the use of convertible bonds, the fund's net asset value may decrease if interest rates increase, the issuer's risk profile deteriorates, equity markets decline, or valuations for conversion options decrease.
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). 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. Note that up to 50% of the fund's net assets may be exposed to credit risk associated with fixed-income investments rated high yield by rating agencies.
4. **Interest rate risk:** Risk associated with investments in fixed income products. Therefore, if interest rates increase, the fund's net asset value may decline;
5. **Equity risk:** Risk of a decline in the portfolio's net asset value due to declining equity markets. Exposure to this risk is key for this UCITS. Moreover, there is a risk associated with exposure to non-OECD countries, including emerging countries, up to a maximum of 20% of net assets: the manner in which these markets operate and are supervised may differ from the standards that prevail in the major international markets.
6. **Foreign exchange risk:** the holder may be exposed to foreign exchange risk up to a maximum of 100%. Some assets are expressed in a currency other than the fund's accounting currency; changes in exchange rates may therefore cause the fund's net asset value to decline;
7. **Risk associated with implied volatility:** The fund is exposed to the implied volatility of the underlyings it holds. If implied volatility decreases, the net asset value of the fund could decrease.
8. **Risk related to non-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.
9. **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
10. **Counterparty risk:** The UCITS may use 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.
11. **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 materialisation of any of these risks may reduce the Fund's net asset value.
12. **Risk that the fund's performance** will not be consistent with its objectives and that the fund will not always be invested in the best-performing markets.

Specific risk associated with investment in convertible bonds:

Investors should be aware that, because of the use of convertible bonds, the fund's net asset value may decrease if interest rates increase, the issuer's risk profile deteriorates, equity markets decline, or valuations for conversion options decrease.

Guarantee or protection: None

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

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 who wish to invest in convertible or exchangeable bonds with an underlying listed on a European market.

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 three 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, CL EUR, IC EUR 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: None

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 classes	ISIN	Allocation of amounts available for distribution	Currency of issue	Eligible investors	Minimum initial subscription amount ^{1 2}
C EUR	FR0007009139	Accumulation	EUR	All investors	one unit Initial net asset value: EUR 152.45
CL EUR	FR0013293982	Accumulation	EUR	See below*	one unit or EUR 500,000 for institutional investors Initial NAV: equal to the NAV of the C EUR unit on the day of creation of the CL EUR unit
IC EUR	FR0011415280	Accumulation	EUR	All investors but specifically intended for institutional investors	EUR 3 million* Initial net asset value: EUR 100,000
P EUR	FR0011843952	Accumulation	EUR	See below*	EUR 5,000 or EUR 500,000 for institutional investors Initial net asset value of one unit: EUR 1,000

¹ The Management Company or any other entity belonging to the same group is exempt from the initial minimum subscription obligation.

² The Management Company reserves the right to waive this minimum initial subscription requirement.

³ Subsequent subscriptions may be for whole units or fractions thereof.

* 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 for CL EUR and P EUR units.

The fund has four unit classes: EUR C EUR, CL EUR, IC EUR and P EUR. These four classes differ mainly in terms of their currency of issue, management fees, subscription and redemption fees, their par value, their systematic hedging against foreign exchange risk, and the distribution network(s) for which they are intended.

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

Subscriptions and redemptions:

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>



- 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 (D).

- 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 the shared electronic record system IZNES can only be accepted if the two following conditions are met: (i) that they do not come from a retail client and (ii) that this client has previously been approved by Rothschild & Co Asset Management to do so. In this case, these requests are received and centralised every 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 (D).

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:

Business day (D)	Business day (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.

Conditions for unit exchanges, subject to eligibility:

Exchange requests are received and centralised 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 gate will be applied on the following terms:

I. Description of the method used

The decision to introduce a redemption gate 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 gate is one month.

II. Procedures for informing unitholders

Unitholders making redemption requests affected by the redemption gate will be specially notified as soon as possible after the capped centralisation date (the "reporting deadline"). The decision to introduce a redemption gate 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 gate, the Management Company decides on its level, net of subscriptions, which will be at least 5% of net assets (the “redemption gate 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 gate 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 gate 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 gate and to honour all redemption requests (execution of 100% of redemption requests).
- If liquidity conditions are unfavourable, the management company applies the redemption gate 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 gate 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 above-mentioned 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.

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	C EUR, CL EUR and P EUR units: 3% maximum IC EUR units: None
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

Exemption: if the redemption order is immediately followed by a subscription, on the same day, in the same unit class, and for the same amount on the basis of the same net asset value, no subscription or redemption fees will be charged.

OPERATING EXPENSES AND MANAGEMENT FEES:

These fees cover all costs billed directly to the UCITS, including auditors' fees, with the exception of transaction costs. Transaction charges include intermediary fees (brokerage, etc.).

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

In addition to operating expenses and management fees, performance fees may be charged. These reward the Management Company if the UCITS exceeds its objectives. They are therefore charged to the UCITS.

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

	Fees charged to the UCITS	Base	Rate
1	Investment management fees	Net assets	C EUR units: 1.40% maximum, all taxes included IC EUR unit: 0.70% maximum, all taxes included CL EUR units: 0.95% maximum, all taxes included P EUR units: 0.80% maximum, all taxes included
2	Operating expenses and fees for other services:	Net assets	0.10%
3	<u>Maximum indirect fees:</u> - <u>management fees</u> - <u>other fees:</u> - subscription: - redemption:	Net assets	Not applicable
4	Turnover commissions	Payable on each transaction	None
5	Performance fee	Net assets	C EUR, IC EUR, and P EUR units: 15% (all taxes included) of the fund's annual outperformance, net of fees, versus the FTSE Convertibles Indices Europe EUR, coupons reinvested, using the methodology described below (*). CL EUR units: None

*TTC = including all taxes. In this area, the Management Company has opted out of VAT.

Performance fee (*):

The UCITS uses a performance fee model based on a benchmark.



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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 (the FTSE Convertibles Indices Europe EUR, coupons reinvested) 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 January 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	Fund's NAV at close of financial year	Fund's NAV > NAV at close of previous financial year	Performance fee charged	Notes
Y0						
Y1	5%	0%	102	yes	yes	Performance fee = net performance (*) 5% * 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	5%	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.

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.

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

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.

IV. Commercial information

Information 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.

Information not requiring special notification to unitholders will be communicated either in the interim documents of the UCITS, 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>



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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 Management Company will ensure that the Value at Risk (VaR) of the UCI does not exceed 200% of the VaR of the benchmark.

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 at the approval date

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.

Interest is recognised using the accrued interest method.

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 sensitivity.

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.

OATs are valued on the basis of the average contributor price

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: pro rata temporis value of this premium
- for the leg representing the credit risk: according to the market price

Accounting 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:

From 1 April 2015: 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 AIFs/UCIs 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 CONVERTIBLES EUROPE

Fonds Commun de Placement (mutual fund – FCP)

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.

be merged or split.

Units may be subdivided in ten-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 fund's assets 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 gate 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 gate is one month.

II. Procedures for informing unitholders

Unitholders making redemption requests affected by the redemption gate will be specially notified as soon as possible after the capped centralisation date (the "reporting deadline"). The decision to introduce a redemption gate 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 gate, the Management Company decides on its level, net of subscriptions, which will be at least 5% of net assets (the "redemption gate 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 gate 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 gate 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 gate.

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

In accordance with the provisions of the Monetary and Financial Code and the General Regulations of the AMF, the Management Company applies a swing pricing mechanism in the event of significant net subscriptions or redemptions across all fund unit classes, exceeding a threshold pre-established by the management company and determined on the basis of objective criteria as a percentage of the net assets of the fund, in the interests of unitholders. The net asset value shall thus be adjusted upwards or downwards in order to take into account the adjustment costs attributable to the net subscription/redemption orders respectively.

The operational procedures for the swing pricing mechanism are described in the fund prospectus.

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



The UCITS may cease to issue units pursuant to the third paragraph of Article L.214-8-7 of the French Monetary and Financial Code, provisionally or definitively, in part or in full, in situations that objectively require the closure of subscriptions, such as when the maximum number of units has been issued, a maximum amount of assets has been reached, or a specific subscription period has expired. 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 UCITS or 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

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 SPAIN

Investors may contact:

- Allfunds Bank S.A., regarding:
 - information on how orders (subscription, repurchase and redemption) can be made and how repurchase and redemption proceeds are paid
 - information and documents made available to investors, such as the prospectus, key information documents and financial reports;

at the following address: Calle de los Padres Dominicos 7, 28050 Madrid, Spain

- CACEIS Bank, Luxembourg Branch, in charge of:
 - processing subscription, repurchase and redemption orders and making other payments to unit holders relating to the units of the fund

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 holders rights related to their investment in the fund

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

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.

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.

Product name: R-co Conviction Convertibles Europe

Legal entity identifier: 9695005BQ7E416YA8462

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective:** [N/A]

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** [N/A]

It **promotes Environmental/Social (E/S)**

characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30.00% of sustainable investments

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

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



Through 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.).

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

Sustainability indicators are used to verify how the environmental or social characteristics promoted by the financial product are attained.

- 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).

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?

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.

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. The consideration of these adverse impacts in investment decisions applies to this financial product:

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 investment objective of the fund is outperformance, net of fees, of its benchmark, the FTSE Convertibles Indices Europe EUR, coupons reinvested, over the recommended investment period of at least three years, via discretionary management. The asset mix of this FCP may differ significantly from the composition of the benchmark index. The strategy manages a portfolio of European convertible and exchangeable bonds. The fund takes a conviction-based approach that relies on the manager's assessment of the outlook for the various markets. The manager determines the fund's investments based on macroeconomic criteria and a financial analysis of the companies included in its investment universe, in order to define the relative size of each source of value added.

The fund invests between 60% and 100% of its assets in one or more markets for fixed income products (public debt/corporate debt) with any credit rating, with at least 60% in exchangeable or convertible bonds with one underlying listed on a European market; the remainder may be made up of instruments including European equities. The portfolio may invest up to 50% of its assets in issues rated "high yield" by one of the rating agencies, up to 100% of its assets in unrated bonds, and up to 100% of its assets in callable and puttable bonds. The fund can also invest up to 10% of its net assets in contingent convertible bonds. The fund may also use forward financial instruments traded on French or foreign regulated or over-the-counter markets (including credit derivatives, futures, options, performance swaps and foreign exchange forward transactions). To do this, it hedges its portfolio and/or exposes it to interest rates, indices, currencies, equities and credit risk (credit derivatives). The consolidated exposure (via securities, UCITS and forward transactions): (i) will not exceed 100% for equities, with no more than 20% in non-OECD countries (including emerging countries) and no more than 10% in small caps; (ii) will not exceed 100% for currencies; and (iii) in fixed-income markets, will serve to maintain the portfolio's modified duration within a range of -1 and 9. The percentage of assets corresponding to the use of credit derivatives is between 0% and 100%. The portfolio's overall exposure, including exposure resulting from forward financial instruments, will not exceed 200%.

Please refer to the prospectus for further information.

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, palm oil 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

The percent share of positions analysed on the basis of ESG criteria is permanently higher than:

- 90% of the portion of net assets invested in equities issued by companies with a market capitalisation of over EUR 10 billion that have their registered office in a developed country, debt securities and money market instruments with an investment grade credit rating, and sovereign debt issued by developed countries;
 - 75% of the portion of net assets invested in equities issued by companies with a market capitalisation of less than EUR 10 billion or with their registered office located in an emerging country and debt securities and money market instruments with a high yield credit rating.
- o The rating of the portfolio, with regard to non-financial criteria, 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.

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

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.

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 tax havens 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.

Good governance
practices include sound
management
structures, employee
relations, remuneration
of staff and tax
compliance



What is the asset allocation planned for this financial product?

Asset allocation

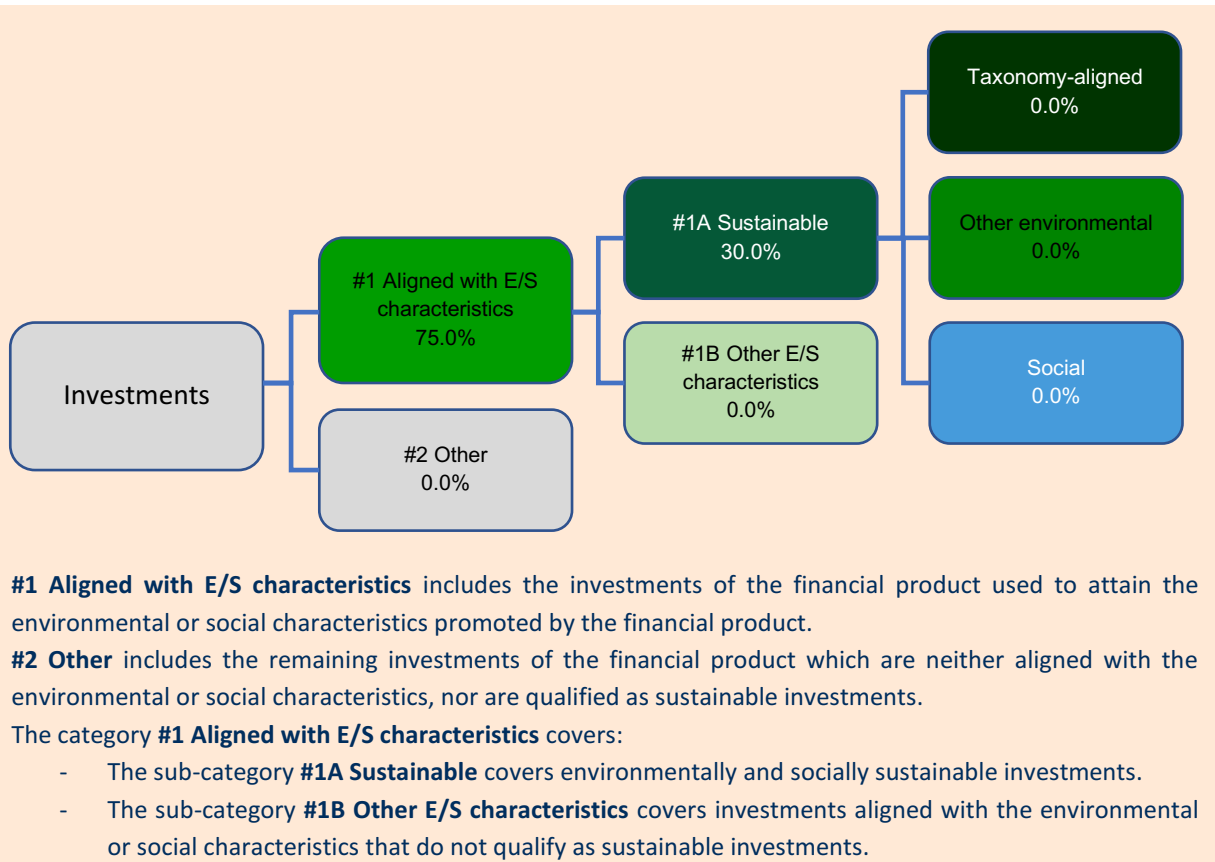
describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies;

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy;

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



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?

Does the financial product invest in nuclear and/or fossil gas related activities that are aligned with the EU Taxonomy¹?

Yes

In fossil gas

In nuclear energy

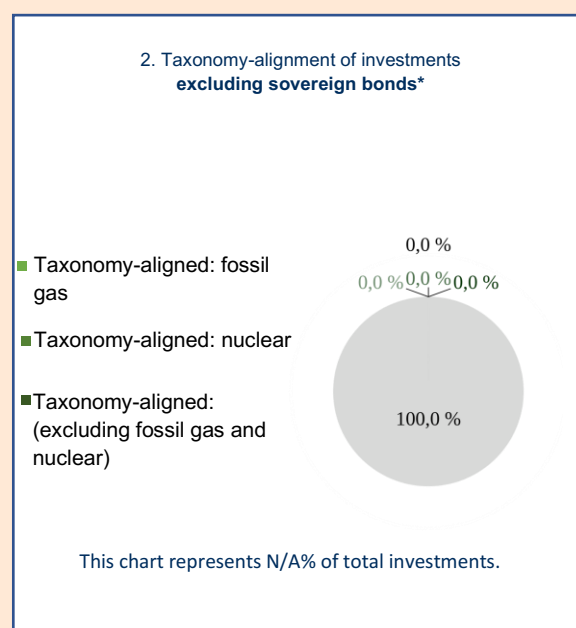
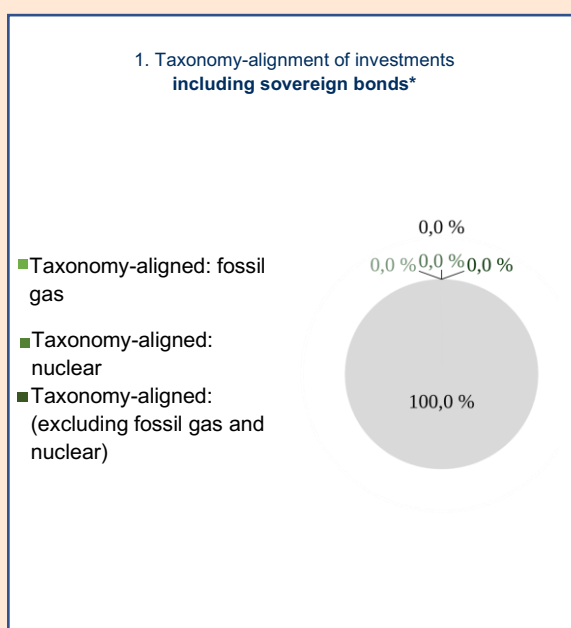
No

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.

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.



* 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%.



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

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.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

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 documentation of the financial product, 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.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

N/A.

How does the designated index differ from a relevant broad market index?

N/A.

Where can the methodology used for the calculation of the designated index be found?

N/A.

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



Where can I find more product specific information online?

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/>