

## **Mitteilung an alle Anteilseigner der EdR Tricolore Fonds:**

Anbei finden Sie die Information der Fondsgesellschaft, folgende Fonds sind betroffen:

FR0010588343      EdR Asset Management Tricolore Rendement - C Cap

Details können Sie der beigefügten Anlage entnehmen. Falls Ihre Kunden diesen Änderungen nicht zustimmen und die Möglichkeit besteht, die Anteile ohne Gebühren seitens der Fondsgesellschaft zurückzugeben, können Sie den Verkauf der Anteile direkt in MoventumOffice erfassen.

Bitte nehmen Sie zur Kenntnis, dass für die Abwicklung dieser Aufträge die im Preis- und Leistungsverzeichnis von Moventum ausgewiesenen Gebühren und die auf MoventumOffice angegebenen Annahmeschlusszeiten gelten.



EDMOND  
DE ROTHSCHILD

**BANQUE DE LUXEMBOURG SA**  
SECURITIES HOLDINGS RECONCILIATION  
BOULEVARD ROYAL 14 - BP 2221  
LUXEMBOURG L-1022

Paris, 07/01/2019

**Re: Information to unitholders of the Edmond de Rothschild Tricolore Rendement UCITS**

<b>ISIN code:</b>	B units:	FR0010998179	E units:	FR0010594333
	C units:	FR0010588343	I units:	FR0010594325
	D units:	FR0010588350	R units:	FR0010705145

Re: Transformation of the French Mutual Fund Edmond de Rothschild Tricolore Rendement into a sub-fund of the EdR SICAV - Tricolore Rendement through a merger by absorption

Dear Sir or Madam,

You are a unitholder of the French Mutual Fund (FCP) Edmond de Rothschild Tricolore Rendement managed by Edmond de Rothschild Asset Management (France), and we would like to thank you for the trust you have placed in us.

**1. The change**

We are writing to inform you that our company's management board has decided to carry out a merger by absorption of the Edmond de Rothschild Tricolore Rendement fund ("the absorbed Fund") by the sub-fund EdR SICAV - Tricolore Rendement ("the absorbing sub-fund"). This sub-fund of the French Edmond de Rothschild SICAV is also managed by Edmond de Rothschild Asset Management (France).

This merger is taking place as part of a change in the funds managed by Edmond de Rothschild Asset Management (France) that are offered to the general public, bringing together the main areas of expertise within a single SICAV marketed globally, both in France and internationally. This change aims to further the growth of assets under management and thus optimise their management, which should ultimately benefit the SICAV's shareholders.

We would like to draw your attention to the fact that the sub-fund EdR SICAV - Tricolore Rendement has been created for the sole purpose of absorbing the Edmond de Rothschild Tricolore Rendement Fund and taking over all aspects of its management. This change will, however, directly influence governance, as you will become a shareholder of the SICAV and will hold shares and fractions of shares. As a shareholder, you will be entitled to vote at Ordinary and Extraordinary General Shareholders' Meetings, enabling you to participate

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Public limited company with Executive and Supervisory Boards and capital of €1 1,033,769  
AMF registration number GP 04000015 - Paris Trade and Companies Register No. 332 652 536



in the governance of the SICAV. In fact, the main events occurring in the life of the SICAV will have to be approved or endorsed by the General Shareholder's Meeting (e.g.: statutory amendments, mergers, etc.), whereas previously, as the Fund has no corporate responsibility, only the Management Company could act on behalf of the holders of the UCITS and defend their exclusive interest.

The French Financial Markets Authority (Autorité des Marchés Financiers) approved this merger by absorption on 7 December 2018. It will take place on 8 March 2019 based on the net asset values from 7 March 2019.

From 8 March 2019, you will receive the exact number of shares in the sub-fund EdR SICAV - Tricolore Rendement as you hold in the Edmond de Rothschild Tricolore Rendement Fund. The share classes taken from the absorbed fund's unit classes will keep the same ISIN code and only their names will be amended, as shown in the table below:

<b>Current situation within the Edmond de Rothschild Tricolore Rendement Fund</b>	<b>Post-merger situation within the EdR SICAV - Tricolore Rendement sub-fund</b>
B units: FR0010998179	A USD shares: FR0010998179
C units: FR0010588343	A EUR shares: FR0010588343
D units: FR0010588350	B EUR shares: FR0010588350
E units: FR0010594333	R EUR shares: FR0010594333
I units: FR0010594325	I EUR shares: FR0010594325
R units: FR0010705145	K EUR shares: FR0010705145

The method used to calculate the exchange ratio for the merger is explained in Appendix 3.

The merger will occur automatically with no action required from you. If, however, the projected merger does not suit your needs, you are entitled to redeem your units or shares free of charge in accordance with the prospectus of the absorbed Fund and absorbing Sub-Fund.

The statutory auditors' reports on the terms for implementation of the merger will be made available, upon request and free of charge, to unitholders of the absorbed Fund from the registered office of Edmond de Rothschild Asset Management (France).

## 2. Impact of the changes

Risk profile:

- Change to the risk/reward profile: NO
- Increase in the risk/reward profile: NO

The absorbing sub-fund will maintain the same investment restrictions and limitations and risk profile currently in force for the absorbed Fund.

However, during this merger, the following change will be made:

- The statutory auditor of the absorbing sub-fund is PRICEWATERHOUSECOOPERS AUDIT (instead of Cabinet Didier Kling Associés - Grant Thornton for the absorbed Fund).
- Increase in fees: YES



The presentation of direct management fees is different within the prospectus of the absorbing sub-fund. These fees are segmented into two separate blocks: financial management fees and administrative fees external to the management company (unlike the absorbed fund where management fees and administrative fees were grouped together in a single rate). Furthermore, the maximum fees incl. tax (management fees and administrative fees) have increased by 0.05% for each share class of the absorbing sub-fund. For example, the Fund's C unit currently has a maximum management fee set at 2.00% incl. tax. The A EUR share of the absorbing sub-fund will have a maximum financial management fee set at 1.95% incl. tax, in addition to which administrative fees external to the management company will be a maximum of 0.10% incl. tax.

Furthermore, the reference period for the calculation of performance fees for the absorbing sub-fund will begin at the start of April and, in the event of negative performance, this will only be extended by one year once the sub-fund has actually paid a positive performance fee for the first time. The method used to calculate this fee is therefore different in the absorbing sub-fund.

In Appendix 1, you will find a table summarising all amendments resulting from this merger and in Appendix 2 you will find a comparative table of the fees.

### **3. Important notes:**

#### Information on the tax treatment of your investment:

The tax treatment applicable to each unitholder depends on their personal situation. Appendix 4 provides a more detailed description of the elements relative to the tax treatment applicable to unitholders of the fund EdR Tricolore Rendement ("the absorbed fund") who are domiciled or established in France. If you have any questions, please contact your tax advisor. Please also carefully read the Key Investor Information Document (KIID) of "the absorbing sub-fund" (EdR SICAV - Tricolore Rendement), which is enclosed with this letter. The KIID and the prospectus are available:

- from the registered office of the management company, EDMOND DE ROTHSCHILD ASSET MANAGEMENT (France) - they will be sent to you within eight working days of receipt of a written request.  
Registered office: 47 Rue du Faubourg Saint-Honoré - 75401 Paris Cedex 08 - France
- online at <http://funds.edram.com>

#### Important things for investors to remember:

If you agree to this change, it will occur automatically with no action required from you. If, however, it does not suit your needs, you are entitled to redeem your units, free of charge, knowing that neither the absorbed fund nor the absorbing sub-fund has a redemption fee. If you are unsure about how to proceed in relation to this change, please contact your financial advisor or distributor.

We remain at your disposal should you require any additional information. Yours faithfully,

**Didier DELEAGE**  
Chief Executive Officer



Appendices:

- Appendix 1: Comparison table of amended items
- Appendix 2: Comparative table of fees
- Appendix 3: Exchange ratio for the merger
- Appendix 4: Applicable taxation
- Appendix 5: Key Investor Information Document (KIID) of the UCITS EdR SICAV - Tricolore Rendement



## APPENDIX 1

### Comparison table of amended items

	<b>Absorbed Fund EdR Tricolore Rendement (Current position)</b>	<b>Absorbing sub-fund EdR SICAV - Tricolore Rendement (position after the merger)</b>
Legal form	French Mutual Fund (FCP)	Société d'Investissement à Capital Variable (open-ended investment company - SICAV)
Statutory auditor	Cabinet Didier Kling & Associés Grant Thornton	PRICEWATERHOUSECOOPERS AUDIT
Investment between sub-funds	N/A	The Sub-fund may invest up to 10% of its net assets in another Sub-fund of the Edmond de Rothschild SICAV. The overall investment in other Sub-funds of the SICAV is limited to 10% of net assets.
Target subscribers of I and R units	Legal entities	I EUR and K EUR shares: Legal entities and institutional investors dealing on own account or on behalf of third parties



**APPENDIX 2**

**Comparative table of fees**

	<b>Current situation within the Edmond de Rothschild Tricolore Rendement Fund</b>	<b>Post-merger situation within the EdR SICAV - Tricolore Rendement sub-fund</b>	
Subscription fee not payable to the Fund/Sub-Fund	B, C, D and E units: Maximum 3%	A USD, A EUR, B EUR and R EUR shares: Maximum 3%	
	I and R units: None	I EUR and K EUR shares: None	
Subscription fee payable to the Fund/Sub-Fund	None	None	
Redemption fee payable and not payable to the Fund/sub-fund	None	None	
Maximum management fees, incl. tax*	B unit: Max. 2.00% incl. taxes*	Financial management fees	A USD shares: Max. <b>1.95%</b> incl. taxes*
		Administrative fees external to the Management Company **	A USD shares: Max. <b>0.10%</b> incl. taxes*
	C units: Max. 2.00% incl. taxes*	Financial management fees	A EUR shares: Max. <b>1.95%</b> incl. taxes*
		Administrative fees external to the Management Company **	A EUR shares: Max. <b>0.10%</b> incl. taxes*
	D units: Max. 2.00% incl. taxes*	Financial management fees	B EUR shares: Max. <b>1.70%</b> incl. taxes*
		Administrative fees external to the Management Company **	B EUR shares: Max. <b>0.10%</b> incl. taxes*
	E units: Max. 2.40% incl. taxes*	Financial management fees	R EUR shares: Max. <b>2.35%</b> incl. taxes*
		Administrative fees external to the Management Company **	R EUR shares: Max. <b>0.10%</b> incl. taxes*
	I units: Max. 1.00% incl. taxes*	Financial management fees	I EUR shares: Max. <b>0.95%</b> incl. taxes*
		Administrative fees external to the Management Company **	I EUR shares: Max. <b>0.10%</b> incl. taxes*



	R units: Max. 1.15% incl. taxes*	Financial management fees	K EUR shares: Max. <b>1.10%</b> incl. taxes*
		Administrative fees external to the Management Company **	K EUR shares: Max. <b>0.10%</b> incl. taxes*
Maximum indirect fees, incl. tax***	None	This Sub-fund invests a maximum of 10% of its net assets in other UCIs. Immaterial fees	
Indirect subscription and redemption fees	None	None	
Performance fees	<p>R EUR units: None</p> <p><u>Units: B, C, D, E and I:</u> 15% per year of the outperformance compared with the benchmark, the SBF 120 Index with net dividends reinvested</p> <p>Performance fees are payable to the management company in accordance with the following procedure: Benchmark: SBF 120 (expressed in Euros for shares denominated in Euros and in US dollars for shares denominated in US dollars), net dividends reinvested. The performance fee is calculated by comparing the Sub-fund's performance with that of an indexed reference asset. The indexed reference asset reproduces the performance of the Sub-fund's benchmark index, adjusted for subscriptions and redemptions. When the Sub-fund outperforms its benchmark, a provision of 15% net of tax will be applied to the outperformance. The reference periods shall end with the last net asset value for the month of January. If, within a given reference period, the sub-fund's performance, calculated with coupons reinvested, proves to be negative or less than or equal to the benchmark index, the reference period shall be extended to the last net asset value for January of the following year. This performance fee is payable annually after calculating the last net asset value of the reference period. In the event that the sub-fund's performance, calculated with coupons reinvested, between the last net asset value for January and the last net asset value for January where a performance fee has been paid were to prove negative, the fee shall not be paid, and the reference period shall be extended to the last net asset value for January of the following year. A provision for performance fees will be made each time the net asset value is calculated. No performance fee shall be charged if</p>	<p>K EUR shares: None</p> <p><u>Shares: A USD, A EUR, B EUR, R EUR and I EUR:</u> 15% per year of the outperformance compared with the benchmark, the SBF 120 Index with net dividends reinvested.</p> <p>Performance fees are payable to the management company in accordance with the following procedure: Benchmark: SBF 120 (expressed in Euros for shares denominated in Euros and in US dollars for shares denominated in US dollars), net dividends reinvested. The performance fee is calculated by comparing the Sub-fund's performance with that of an indexed reference asset. The indexed reference asset reproduces the performance of the Sub-fund's benchmark index, adjusted for subscriptions and redemptions. When the Sub-fund outperforms its benchmark, a provision of 15% net of tax will be applied to the outperformance. The reference periods end with the last net asset value for the month of <b>March</b>. This performance fee is payable annually after calculating the last net asset value of the reference period. <u>Once a first performance fee has been paid, and</u> in the event that the Sub-fund's calculated performance, with coupons reinvested, between the last net asset value for <b>March</b> and the last net asset value for <b>March</b> where a performance fee has been paid were to prove negative, the fee shall not be paid, and the reference period shall be extended to the last net asset value for <b>March</b> of the following year. A provision for performance fees will be made each time the net asset value is calculated. No performance fee shall be charged if the Sub-fund has underperformed the benchmark index since the last net asset value where a performance fee was paid. In the event of underperformance, the performance fee provision will be reduced by reversing the provision. The reversal cannot be more than the provision. When shares are redeemed, the management company receives the portion of the performance fee corresponding to the shares redeemed.</p>	





	<p>the Sub-fund has underperformed the benchmark index since the last net asset value where a performance fee was paid. In the event of underperformance, the performance fee provision will be reduced by reversing the provision. The reversal cannot be more than the provision. When shares are redeemed, the management company receives the portion of the performance fee corresponding to the shares redeemed.</p>	
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\* Including all taxes

\*\* In case of an increase of administrative fees external to the Management Company less than or equal to 0.10% incl. tax per year, shareholders of the Sub-Fund shall be informed by any means. In this case, the Management Company will not be required to inform shareholders in a specified manner or provide the opportunity to redeem their shares free of charge.

\*\*\* apart from possible performance fees



### **APPENDIX 3**

#### **Exchange ratio for the merger**

The exchange ratio will be one to one, i.e. one share from the equivalent class of the EdR SICAV - Tricolore Rendement sub-fund (the absorbing sub-fund) for one unit of the Edmond de Rothschild Tricolore Rendement Fund (the absorbed fund).

For example, on 27 November 2018, the net asset value of the C unit of the Edmond de Rothschild Tricolore Rendement Fund stood at €331.46, which would constitute the initial net asset value of the A EUR share of the EdR SICAV - Tricolore Rendement sub-fund, since the exchange ratio is one, as illustrated below.

$$\text{Exchange ratio} = \frac{\text{Net asset value of the C unit of the absorbed Fund}}{\text{Net asset value of the A EUR share in the absorbing sub-fund}} = 1$$

Accordingly, no balancing payments or fractions will be paid as part of this transaction.

All share classes of the absorbing sub-fund will benefit from the historical net asset values of the corresponding unit classes of the absorbed Fund.



## **APPENDIX 4**

### **Applicable taxation**

#### **Tax treatment applicable to individuals resident in France for tax purposes**

- Securities subscribed in an ordinary securities account  
As a result of the absorption of the "Edmond de Rothschild Tricolore Rendement" Fund (the "absorbed fund") by the "EdR SICAV - Tricolore Rendement" sub-fund (the "absorbing sub-fund"), individual holders resident in France for tax purposes will have a deferred tax asset provided that the amount of the balancing payment paid at the time of the exchange of securities is lower than or equal to 10% of the exchange value of the securities received. Since this transaction is considered an interim transaction, the capital gain on the exchange is not taken into account for determining the income tax payable for the year of the exchange. The tax is deferred until the final disposal of the securities received in exchange. In fact, the capital gain or loss made at the time of final disposal of these securities will be determined taking into account the subscription value of the units of the absorbed fund, the Edmond de Rothschild Tricolore Rendement Fund, (minus the amount of the balancing payment received, if any) and taxed in accordance with ordinary law.

#### **Tax treatment applicable to legal entities established in France**

As a result of the absorption of the "Edmond de Rothschild Tricolore Rendement" Fund (the "absorbed fund") by the "EdR SICAV - Tricolore Rendement" sub-fund (the "absorbing sub-fund"), holders of units in the absorbed AIF that are legal entities established in France subject to corporate tax or to income tax when taxed according to the real income regime for industrial and commercial income (BIC) or agricultural income (BA) shall automatically have the deferred tax asset provided for by Article 38, 5a of the French General Tax Code (Code Général des Impôts, hereinafter CGI) and, in that regard, are subject to specific reporting obligations. The deferred tax asset applies provided that the amount of the balancing payment paid when the securities are exchanged is less than or equal to 10% of the net asset value of the securities received and less than the profit made at the time of the merger.  
Since this transaction is considered as an interim transaction, the capital gain or loss on the exchange, loss or profit, is not taken into account for the determining the income tax or corporation tax owed for the year of the exchange, with only the balancing payment being immediately taxable if a profit is made on the exchange. Taxation of the capital gain is deferred until the final disposal of the securities received in exchange. In fact, the capital gain or loss made at the time of final disposal of these securities will be determined taking into account the subscription value of the units of the absorbed Fund and taxed in accordance with ordinary law. However, this subscription value will be reduced by the amount of the balancing payment if it was not taxed in the year of the exchange showing a loss.  
Nevertheless, for legal entities subject to corporation tax, the provisions set out in Article 209-0-A of the CGI limit the effects of this regime of tax neutrality at the time of the exchange. In fact, this article requires companies liable for corporation tax to take into account unrealised capital gains or losses on UCI securities at the end of each year, calculated in keeping with the net asset value of the securities on this date.

#### **Tax treatment applicable to legal entities established outside France**

They may be subject to tax at their place of tax residence or in other jurisdictions where they pay taxes. The tax implications of the merger may vary depending on the laws and regulations in force in the country of residence, nationality, domicile or establishment. If you have any questions about potential tax liability due to the implementation of the merger, you are strongly encouraged to contact your professional tax advisor.