



EDMOND DE ROTHSCHILD START (C)

EdR Start (C)

ABSOLUTE PERFORMANCE FUND

EDMOND DE ROTHSCHILD ASSET MANAGEMENT

ASSET ALLOCATION AND SOVEREIGN DEBT

Fund size : EUR 299,40 mil.

GENERAL INFORMATION

Investment objective

The UCITS' management strategy is discretionary and opportunistic. The UCITS takes positions on the bond and equity markets and on currencies. The UCITS' objective is to seek absolute performance, decorrelated over the recommended investment period, on the main international equity and bond markets. In the context of its management, the UCITS' target volatility may be up to a maximum of 3%.

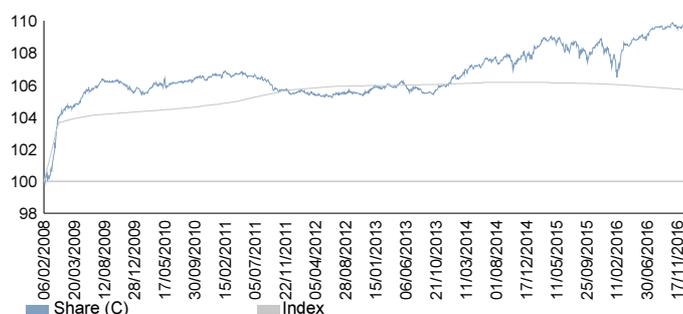
Monthly comment

December saw the action taken by central banks making the headlines. The ECB announced a nine-month extension of its asset buy-back programme, instead of the six expected. It also eased its criteria to allow the purchase of debt with just one year to maturity, and this at below the deposit rate. But, at the same time it also cut the monthly maximum from €80 billion to €60 billion. Meanwhile, the US Federal Reserve confirmed its anticipated 25 bps rate hike while predicting not just two, but three, further hikes thereby underwriting the improvement in the economic climate. US bonds naturally underperformed over the month with spreads from 3-6 bps on maturities of 2-30 years. Despite the Italian referendum setback, followed by the resignation of PM Matteo Renzi, neither core European interest rates or peripheral spreads against Germany have widened. On the contrary, peripheral rates outperformed thanks to the measures taken by the ECB, the prompt inauguration of a new government in Italy and the vote to establish a fund to support the banking sector, endowed with some €20 billion. These developments in particular helped Italian bonds tighten 10 bps over the month against the German bund. So in the end European interest rates fell this month with the yield curve steepening. German rates dropped by 6, 9, 9 and 0 bps respectively on issues of 2, 5, 10 and 30 years duration. Only in Greece did spreads widen (by 69 bps on the 10-year bond) following the ESM's freeze on its debt bail-out payments, after Greek PM Alexis Tsipras' surprise announcement of unilateral hikes in budgetary expenditure on December 8. Meanwhile, credit also performed well and even better in the high-yield segment, which followed the equity rally with some tightening that reached around 50 bps.

PERFORMANCES

Benchmark (Index) : Eonia Capitalised (EUR)

Performance chart (from 06/02/08 to 30/12/16)



PORTFOLIO

Contribution to performance by strategy over the month

Strategy	Contribution(%)
Performances	-0,04%
Value	0,39%
Gross perf. observed	0,35%

Cumulative performances (Net of fees) (Rolling periods)

	Share (C)	Benchmark
1 month	0,27	-0,03
3 months	0,23	-0,09
6 months	0,77	-0,17
YTD	1,41	-0,32
1 year	1,41	-0,32
2 years	1,85	-0,43
3 years	3,51	-0,33
5 years	4,15	0,00
Since inception	9,85	5,69

Net performance

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual
2012	0,12	-0,14	-0,06	-0,05	0,07	-0,16	0,16	0,04	-0,02	-0,02	0,10	0,21	0,25
2013	0,07	0,05	0,00	0,12	0,08	-0,37	0,00	-0,20	-0,03	0,35	0,12	0,16	0,37
2014	0,31	0,34	0,28	0,07	0,09	0,18	0,18	-0,16	0,31	-0,29	0,24	0,06	1,63
2015	0,39	0,42	0,03	0,02	-0,02	-0,54	0,36	-0,40	-0,51	0,66	0,50	-0,46	0,43
2016	-0,40	-0,14	0,74	0,29	0,12	0,03	0,42	0,15	-0,02	0,12	-0,17	0,27	1,41

Risk allocation

VaR 99% 20 days	1,81%
Volatility 1 year	1,61
Sharpe ratio 1 year	1,08



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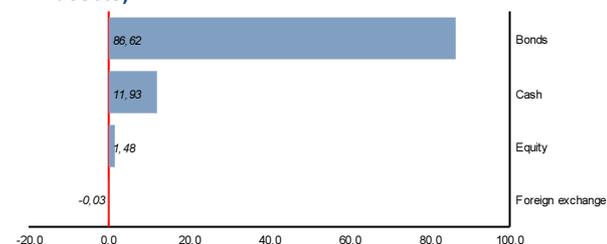
EDMOND DE ROTHSCHILD ASSET MANAGEMENT

ASSET ALLOCATION AND SOVEREIGN DEBT

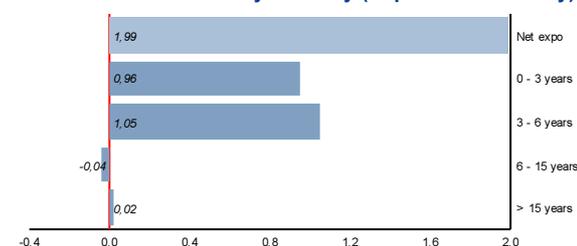
Fund size : EUR 299,40 mil.

PORTFOLIO DETAILS

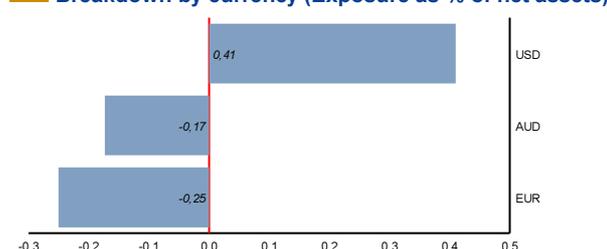
Breakdown by asset class (Market value as % of net assets)



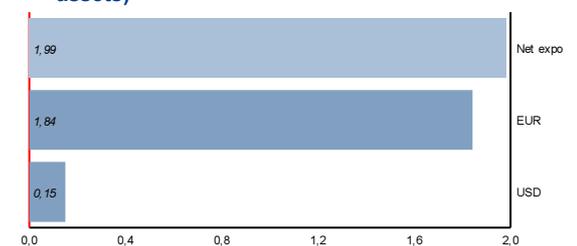
Rates breakdown by maturity (in points sensitivity)



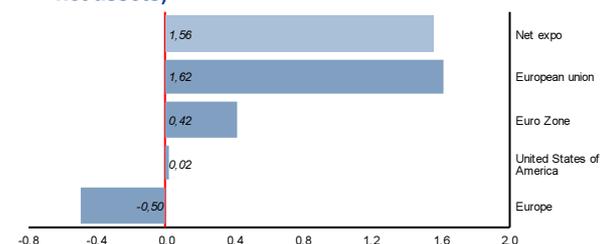
Breakdown by currency (Exposure as % of net assets)



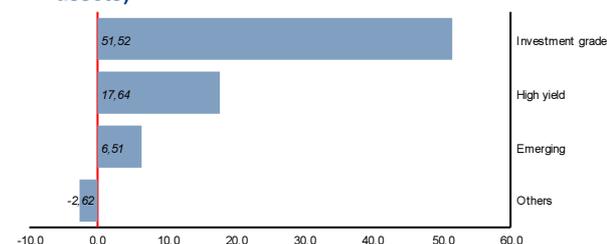
Rates breakdown by currency (Exposure as % of net assets)



Geographic breakdown of equities (Exposure as % of net assets)



Breakdown by bond segment (Market value as % of net assets)



Breakdown by maturity and by rating (Market value as % of net assets) *

	< 3 months	3 - 6 months	6 months - 1 year	1 - 3 years	3 - 5 years	5 - 7 years	7 - 10 years	> 10 years	Total
AAA	7,59%		4,21%						11,8%
AA		0,67%	3,06%	0,03%					3,7%
A	0,06%	0,08%	1,10%	2,56%	1,90%	1,74%		-0,02%	7,5%
BBB	0,09%	1,02%	2,44%	27,22%	16,90%	0,18%	0,34%	0,06%	48,2%
BB	1,42%		2,31%	12,18%	4,77%	0,31%	0,12%	0,03%	21,1%
B	0,04%	0,01%	0,36%	0,04%	0,05%		0,01%	0,05%	0,6%
CCC			0,52%	1,04%		0,03%	0,02%	0,09%	1,7%
Others	1,46%					0,01%		0,01%	1,5%
Non rated	2,20%	0,02%		0,86%	0,75%				3,8%
Derivatives	-0,04%								0,0%
Total	12,8%	1,8%	14,0%	43,9%	24,4%	2,3%	0,6%	0,2%	100,0%

* Carried out after breaking down the underlying Edmond de Rothschild group funds.

Rating source: Second best (S&P, Moody's, Fitch) LT rating

FUND CHARACTERISTICS

Share characteristics

Net asset value (EUR) : 549,24
 Share issue date : 06/02/2008
 ISIN code : FR0010459693
 Bloomberg code : RFSQUAA FP
 Lipper code : 65103501
 Telekurs code : 3095196
 Distribution : Accumulation
 Latest coupon : -
 Subscribers Type : All investors

Fund Managers

Benjamin MELMAN, Guillaume RIGEADE

Fund characteristics

Legal status
 Fund inception date : 14/05/2007
 Fund domicile : France
 AMF classification : Balanced
 Recommended investment period : 18 months

Administrative Information
 Management Company : Edmond de Rothschild Asset Management (France)
 Delegated management Company : Edmond de Rothschild Asset Management (UK)
 Administration : CACEIS Fund Admin.
 Depositary : Edmond de Rothschild
 Valuation : Daily
 Decimised : 3 decimals
 Initial minimum subscription : 1

Subscription & redemption conditions : Daily before 12.30 pm C.E.T. on day's net asset value

Management Subscription/Redemption fees
 Actual management fees : 0,7%
 Performance fees : yes (cf. Prospectus)
 Subscription fees : 3% maximum
 Redemption fees : no



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SUBSCRIBERS TYPE

Marketing country	Investors involved in marketing
Austria Switzerland Germany Spain France Italy	All

PRODUCT RISKS AND DISCLAIMERS

The information used to value the assets of this UCITS is taken primarily from various pricing sources available on the market and/or from information provided by brokers, prime brokers or external custodians, administrative agents/managers of target funds or other products, specialists duly authorised for this purpose by this UCITS and/or its management company (where applicable), and/or directly from this UCITS and/or its management company (where applicable).

With regard to index levels and compositions, the main sources used are data distributors.

Please note that the main risks of this UCITS are as follows:

- Credit risk
- Discretionary management risk
- Risk linked to investing in emerging markets
- Risk linked to financial and counterparty contracts
- Risks associated with small and mid caps
- Currency risk
- Capital risk
- Liquidity risk
- Equity risk
- Risk linked to commodities

Details on the target subscribers provisions and on applicable Risks of this UCITS is found in the full prospectus or in the partial prospectus for those subfunds authorised for distribution in Switzerland of this UCITS. The regulation, the full prospectus, the partial prospectus for subfunds authorised for distribution in Switzerland, the key investor information document (where applicable) and the annual, semi-annual and quarterly reports are available upon request from Edmond de Rothschild Asset Management (France), its distributors and/or representatives and/or the following correspondents:

<i>Austria</i>	: <i>Société Générale Vienna Branch</i>	<i>Prinz-Eugen-Strasse 8-10/5/TOP 11</i>	<i>A-1040 Vienna</i>	<i>Austria</i>
<i>France</i>	: <i>Edmond de Rothschild Asset Management (France)</i>	<i>47, Rue du Faubourg St-Honoré</i>	<i>Cedex 08 Paris 75401</i>	<i>France</i>
<i>Germany</i>	: <i>CACEIS Bank, Deutschland GmbH</i>	<i>Lilienthalallee 34 - 36D</i>	<i>80939 Munich</i>	<i>Germany</i>
<i>Italy</i>	: <i>BNP Paribas Securities Services, Succursale di Milano</i>	<i>Via Ansperto 5</i>	<i>Milan</i>	<i>Italy</i>
<i>Italy</i>	: <i>State Street Bank GmbH, Succursale Italia</i>	<i>Via Ferrante Aporti 10</i>	<i>Milan</i>	<i>Italy</i>
<i>Italy</i>	: <i>Société Générale Securities Services S.p.A.</i>	<i>Via Benigno Crespi 19A</i>	<i>MAC2 Milan</i>	<i>Italy</i>
<i>Spain</i>	: <i>Edmond de Rothschild Asset Management (France) - Sucursal en España</i>	<i>Pº de la Castellana 55</i>	<i>28046 Madrid</i>	<i>Spain</i>
<i>Switzerland (Legal Representative)</i>	: <i>Edmond de Rothschild Asset Management (Suisse) S.A.</i>	<i>8, rue de l'Arquebuse</i>	<i>1204 Genève</i>	<i>Switzerland</i>
<i>Switzerland (Paying agent)</i>	: <i>Edmond de Rothschild (Suisse) S.A.</i>	<i>18, rue de Hesse</i>	<i>1204 Genève</i>	<i>Switzerland</i>

and/or on the following website (<http://funds.edram.com>), in order that investors analyse the risks and build their own opinion, independently from any entity of the Edmond de Rothschild Group. Investors are invited to request the opinion of their Legal Counsel where necessary, to ensure the suitability of the investment with regards to their financial situation, experience and investment objectives.

The numerical data, comments and analyses in this presentation reflect the opinion of Edmond de Rothschild Asset Management (France) with respect to the markets and their trends, regulation and tax issues, on the basis of its own expertise, economic analyses and information available as of today. The figures mentioned refer to past years. Past performance and ratings are not indicative of future performance and ratings. Past performance can be misleading. The value of units or shares of funds and the returns are subject to fluctuation, and investors may not get back the full amount invested. Performance data is calculated on a dividend reinvested basis. These performance do not take into account the fees and expenses collected on the issue or redemption of shares/units, or taxes levied in the client's country of residence.

The fund's investment policy does not necessarily anticipate a correlation between the fund and the mentioned benchmark. As a result, the performance of this UCITS may differ from that of the benchmark.

Figures mentioned in this document may be denominated in a currency other than that of the country in which the investor resides. As a result, potential gains may be increased or decreased by fluctuations in foreign exchange rates

The information in this document regarding this UCITS is not intended to replace the information in the full prospectus, or the partial prospectus if the cited subfund is authorised for distribution in Switzerland, the annual and semi-annual report. Prior to making any investment decision, the investor therefore has an obligation to read it.

This document is only for information and does not represent an offer to buy or a solicitation to sell; the basis of any contract or commitment; a financial, legal or tax advice. No part of this document should be interpreted as investment advice. Regulations related to fund marketing may vary from one country to the next. This UCITS may be marketed in a jurisdiction other than that of its country of registration, in particular under the private placement regime for qualified investors, when the law of that other jurisdiction authorizes it. If you have the slightest doubt about marketing requirements for this UCITS, we invite you to contact your usual adviser.

No UCITS can be offered or sold to persons, or in countries or jurisdictions where such offer or sale would be unlawful.

United States: The fund and its shares are not registered under the Securities Act of 1933 or any other US regulation. Its shares may not be offered, sold, transferred or delivered for the benefit of, or on behalf, of a US National, as defined by US law.



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DEFINITIONS

The **PERFORMANCE**, often expressed as a % makes it possible to measure the capital gain or loss of an investment over a period (10% = gain of 10 units for every 100 invested). Performance can also be expressed per annum. This is equivalent to extrapolating the performance of a fund over any period to a one-year period. In either case, a loss is indicated by a negative percentage and a gain by a positive percentage.

The **VOLATILITY** of a security is the difference between performance and average performance and therefore makes it possible to gauge the consistency of performance obtained. It comprises a measure of risk. If this is zero, the individual performances are identical. The higher it is, the greater the difference between individual performances.

The **TRACKING ERROR** shows the volatility of a fund's relative performance against that of its benchmark. It shows the difference between performances and their average and so makes it possible to gauge the consistency of relative performance. The lower the tracking error, the closer the fund's performance is to that of its benchmark.

The **INFORMATION RATIO** represents the relative performance obtained by the fund manager for each agreed volatility point in comparison with the benchmark. To some degree, it is this measurement that makes it possible to establish whether the additional risk taken by the fund manager is, in comparison with the benchmark, rewarding or otherwise.

The **ALPHA** corresponds to the fund's average performance. More specifically, it measures the fund managers' added value while cancelling out market influence, which cannot be controlled. This measure is expressed as a percentage.

The **SHARPE RATIO** shows the fund's outperformance against a zero-risk interest rate (the Eonia, in this case), adjusted for fund volatility.

The **BETA** measures the market's influence (represented by a benchmark) on the performance of a fund. It shows the average variation of the fund's NAV, for each variation of 1% in the benchmark. If beta is 0.8, this means that for each 1% movement in the benchmark, the fund moves 0.8%.

The **CORRELATION COEFFICIENT** defines the direction and degree of dependence between two variables. It ranges from -1 to +1. Positive correlation means that the benchmark and the fund move in the same direction, negative correlation means that they move in opposite directions. When correlation is close to zero, the benchmark's influence on the fund is very low.

The **R2** or the **DETERMINATION COEFFICIENT** measures to what extent variations in fund performance are explained by variations in the benchmark. Mathematically, it is the square of the correlation coefficient. It always has a value of between 0 and 1.

The **GAIN FREQUENCY** represents the percentage of positive returns for a defined frequency.

The **MAX GAIN** represents the maximum return recorded from a series of periodic return payments.

The **MAX DRAWDOWN** is the maximum loss recorded over a series of periodic returns.

The **PAYBACK PERIOD** measures the time required to recover the maximum drawdown. It is often expressed in days or months. Payback begins with the return paid following the maximum loss.

DURATION: the duration of a bond corresponds to the period after which its profitability is not affected by interest rate fluctuations. The duration appears as an average lifespan updated with all flows (interest and capital) and expressed in years.

SENSITIVITY: Bond sensitivity measures the percentage change in a bond's value arising from any downward movement in the interest rates. Mathematically, it is equal to the absolute value of the derivative of the bond's value with regards to the interest rate, divided by the value of the bond itself. It is expressed as a percentage.

SPREAD: the actuarial margin, or spread, of a bond (or of a loan) is the difference between the actuarial rate of return of the bond and that of a zero-risk loan with an identical duration. Naturally, the better the issuer is rated, the lower the spread

ACTUARIAL RATE: by convention, an actuarial rate is a rate of an investment which has a duration of one year and for which interest is received or paid after one year. Since there are so many rates and interest payment terms, it is difficult to compare them directly. They are therefore converted using a common basis, the actuarial rate, in order to make direct comparisons.

MATURITY: A bond's final or call maturity corresponds to the period remaining until the bond may be redeemed or until its next call date. It is therefore equal to the length of time between the date upon which the calculation is performed and the issue's redemption date or next call date, and is often expressed in numbers of years.

DELTA OF A CONVERTIBLE BOND ISSUE: the delta of a convertible issue measures the sensitivity of the price of the convertible bond to a change in the conversion ratio [(equity price * conversion ratio)/nominal amount]. Its value is always between 0 and 100.

EQUITY SENSITIVITY FOR CONVERTIBLE BOND ISSUES: The equity sensitivity of a convertible bond issue measures the sensitivity of the convertible bond's value to a 1% fluctuation in the value of the (underlying) share. It will always be between 0% to 100%. The closer the equity sensitivity is to 100%, the closer the fluctuation in the convertible bond's price will match that of the share price and vice versa. Accordingly, when equity sensitivity is in the range of 80 to 100, the convertible bond is considered to perform like a share; between 20 to 80, the convertible bond is said to be mixed and is influenced by both the share price and interest rates; between 0 and 20, the convertible bond performs like a bond.

The **PE = Price Earnings**. This ratio is equivalent to the ratio between the price of a share and the earnings per share. It is also known as the Earnings Capitalisation Multiple. The result is the weighted average of the PE of the securities in the portfolios.

The **VAR EPS = Variation in Earnings Per Share**. The result is the weighted average of the VAR EPS of the securities in the portfolios.

The **PCF = Price to Cash Flow**. This is the ratio between the price of a share and the cash-flow generated per share (Cash flow per share). The result is the weighted average of the PCF of the securities in the portfolios.

The **PBV = Price to Book Value**. This ratio is equivalent to the ratio between the price of a share and the book value of its equity. The result is the weighted average of the PBV of the securities in the portfolios.

The **PEG = Price Earnings Growth**. This is calculated by dividing the PE by the average growth rates for expected profits in future years.

The **YIELD** = This ratio is the ratio of dividend per share and share price. The returns are gross before deduction of taxes and shall take into account tax credits, if any. For example, for French and German companies, tax credits are included. In Singapore and Malaysia, the company returns are based on net dividends after corporate taxes. For a fund, the performance equals the weighted average yields of all portfolio holdings which have seconded a dividend. This ratio is expressed in % per year.



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RISK SCALE

Risk and reward profile



1	2	3	4	5	6	7
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Synthetic risk/return indicator ranks the fund on a scale from 1 to 7 (1 being the less risky ranking, 7 being the most risky ranking). This rating system is based on average fluctuations in the fund's net asset value over the past five years, i.e. the scale of changes in the index securities, both up and down. If the net asset value is less than 5 years old, the rating is determined by other regulatory calculation methods. Historic data such as those used to calculate the synthetic indicator may not be a reliable indication of the future risk profile. The current category is neither a guarantee nor an objective. Category 1 does not signify a risk free investment. For more details on the methodology of the ranking, please consult the key investor information document (KIID) of the fund.

This fund is rated in category 2, in accordance with the type of shares and geographical zones presented in the "objectives and investment policy" section.