R-co Thematic Target 2026 HY

Open-ended investment fund (SICAV) governed by French Law

Prospectus

Updated on 1st July 2023

Rothschild & Co
Asset Management

UCITS governed by European Directive 2009/65/EC

R-CO THEMATIC TARGET 2026 HY

I. General characteristics

I. 1 FORM OF THE UCITS:

Name : R-co Thematic Target 2026 HY
Legal form : Open-ended investment fund (SICAV) governed by French law
Date of incorporation : 10 October 2016
Intended lifetime : 99 years
Fund overview :

Share classes	ISIN	Allocation of amounts available for distribution*	Currency of issue	Eligible investors	Minimum initial subscription amount***
C EUR	FR0013476215	Accumulation	EUR	All investors	EUR 2,500 Initial NAV: EUR 100
D EUR	FR0013476512	Distribution	EUR	All investors	EUR 2,500 Initial NAV: EUR 100
F EUR	FR0013476231	Accumulation	EUR	All investors	1 share Initial NAV: EUR 100
IC EUR	FR0013476249	Accumulation	EUR	All investors, but specifically intended for institutional investors	EUR 2 million Initial NAV: EUR 1,000
ID EUR	FR0013476504	Distribution	EUR	All investors, but specifically intended for institutional investors	EUR 2 million Initial NAV: EUR 1,000
R EUR	FR0013476256	Accumulation	EUR	All investors, but specifically intended for foreign distribution networks	1 share Initial NAV: EUR 100
I CHF H	FR0013476264	Accumulation	CHF**	All investors, but specifically intended for institutional investors	CHF 2 million Initial NAV: CHF 1,000
P CHF H	FR0013476272	Accumulation	CHF**	Shares reserved for foreign distribution networks acting under a mandate, and subject to the prior agreement of the Management Company	CHF 5,000 Initial NAV: CHF 100
Nagelmackers D EUR	FR0013187168	Distribution	EUR	All investors, but more specifically reserved for clients of the Nagelmackers group	1 share Initial NAV: EUR 100
Nagelmackers ID EUR	FR0013187176	Distribution	EUR	All investors, but more specifically reserved for clients of the Nagelmackers group	EUR 100,000 Initial NAV: EUR 1,000

* See the section below: “Allocation of amounts available for distribution”.
CHF shares are systematically hedged against the foreign exchange risk of the SICAV’s reference currency.
*** The Management Company or any other entity belonging to the same group is exempt from the initial minimum subscription obligation. The latter may subscribe for a minimum of one share.

The SICAV has several share classes. These various share classes may have different minimum initial subscription amounts, management fees, nominal values, currencies of issue with systematic hedging against the foreign exchange risk of the fund’s reference currency, or be intended for different foreign distribution networks.

Where the articles of association of the SICAV, the latest annual report, and the latest interim statement can be obtained:
The latest annual documents and the composition of assets are sent within eight working days of the shareholder's written request addressed to:
Rothschild & Co Asset Management
Service commercial
29 avenue de Messine
75008 Paris

The Key Information Documents (KID) 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 approved by the AMF on 6 June 2017 under number GP-17000014
Limited Partnership
29 avenue de Messine – 75008 PARIS

Depositary and Custodian:
CACEIS Bank
89-91 rue Gabriel Péri – 92120 Montrouge
(postal address: 12, place des États-Unis – CS 40083 – 92549 Montrouge CEDEX)
Credit institution approved by France's Prudential Control and Resolution Authority (ACPR)

The functions of the Depositary cover duties, as defined by the applicable Regulations, including the safekeeping of assets, ensuring the legality of decisions taken by the Management Company and monitoring the SICAV's cash flows.
The depositary is also responsible for managing the liabilities of the SICAV, which includes centralising its share subscription and redemption orders under delegation from the Management Company, as well as managing the issue account and share registers of the SICAV.
The depositary is independent from the Management Company.

Delegates of CACEIS Bank
The description of delegated safekeeping functions, the list of delegates and sub-delegates of CACEIS Bank and information relating to conflicts of interest likely to result from these delegations are available on the CACEIS website: www.caceis.com
Updated information is made available to investors on request.

Statutory auditor:
Deloitte & Associés
6 place de la Pyramide, 92908 Paris-La Défense Cedex
Signatory: Olivier Galienne

Promoters:
Rothschild & Co Asset Management, a limited partnership, 29 avenue de Messine, 75008 Paris
Investors should be aware that not all of the SICAV's promoters are necessarily mandated by the Management Company and that the Management Company is unable to establish an exhaustive list of the SICAV's promoters because this list changes on an ongoing basis.

Accounting sub-delegate (delegated by Rothschild & Co Asset Management):
CACEIS Fund Administration
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 approved 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 shares to be registered or already registered in bearer form within Euroclear:
CACEIS Bank
Credit institution approved by France's Prudential Control and Resolution Authority (ACPR)
Registered office: 89-91 rue Gabriel Péri – 92120 Montrouge
Postal address: 12, place des États-Unis – CS 40083 – 92549 Montrouge CEDEX

- for shares 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. CACEIS BANK will be responsible at SICAV level for aggregating information relating to the management of the issue account provided by IZNES.

Directors:
Detailed information concerning the identity of the SICAV's directors as well as their external roles is provided in the SICAV's annual report. In accordance with section I.1 below, this information is also available from the promoters on request.

III. Management and operations

III. 1. GENERAL CHARACTERISTICS:

Share characteristics

ISIN:
C EUR share: FR0013476215
D EUR share: FR0013476512
F EUR share: FR0013476231
IC EUR share: FR0013476249
ID EUR share: FR0013476504
R EUR share: FR0013476256
I CHF H share: FR0013476264
P CHF H share: FR0013476272
Nagelmackers D EUR share: FR0013187168
Nagelmackers ID EUR share: FR0013187176

- Type of right attached to the share class: The rights of owners are expressed in shares, each share corresponding to a fraction of the SICAV's assets. Each shareholder is entitled to ownership of the assets of the SICAV in proportion to the number of shares held.
- Registration or liabilities management: Liabilities are managed by CACEIS Bank for shares to be registered or already registered in bearer form within Euroclear, and by IZNES for shares to be registered or already registered in pure registered form within IZNES' shared electronic record system, "DEEP".
- Voting rights: Each shareholder has voting rights attached to the shares they own. The SICAV's articles of association set out how these voting rights can be exercised.
- Form of the shares: In bearer form for shares admitted to Euroclear or in pure registered form within IZNES' "DEEP" system. This SICAV can be used in unit-linked life insurance policies.
- Fractional units: All of the SICAV's shares are broken down into ten-thousandths of shares.

Closing date:
Last trading day of December (1st closing: December 2017)

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 SICAV. When in doubt, the subscriber should contact a professional adviser. A switch from one share class to another is regarded as a disposal, and any capital gains realised at that time will generally be regarded as taxable.

III. 2. SPECIAL PROVISIONS:

ISIN:
C EUR share: FR0013476215
D EUR share: FR0013476512
F EUR share: FR0013476231
IC EUR share: FR0013476249
ID EUR share: FR0013476504
R EUR share: FR0013476256
I CHF H share: FR0013476264
P CHF H share: FR0013476272
Nagelmackers D EUR share: FR0013187168
Nagelmackers ID EUR share: FR0013187176

Classification: Bonds and other debt securities denominated in EUR.

Delegation of financial management: No

Investment objective:

The SICAV's investment objective is to generate performance based on trends in EUR-denominated fixed-income markets, primarily through exposure to high-yield securities, from the time of subscription to 31 December 2026. The average portfolio maturity shall range from January to December 2026.

Benchmark:

The SICAV does not have a benchmark. The average portfolio maturity shall range from January to December 2026. This average maturity decreases each year until expiry at the end of 2026.

The SICAV is not managed with reference to a benchmark index.

The SICAV is not an index-linked UCITS.

Investment strategies:

1. Description of strategies used:

The portfolio's overall strategic allocation during the holding period:

The SICAV's investment strategy is not limited to a buy and hold strategy: while the management company will typically hold its securities to maturity, it may carry out arbitrage transactions if it identifies issuers in the portfolio with a higher risk of default and/or if new market opportunities occur, in order to optimise the portfolio's average yield to maturity.

the credit risk exposure strategy will be implemented via direct investment. The SICAV will invest 80%-100% of its net assets in bonds with fixed, variable or adjustable rates, and other negotiable debt securities, inflation-linked bonds, issued by private corporations and/or supranational/public entities or governments and medium-term negotiable notes, with a maximum of 10% of net assets invested in convertible bonds. At least 80% of net assets shall be invested in EUR-denominated securities.

Securities issued by private issuers may account for up to 100% of net assets, of which 50% maximum invested in securities from financial sector issuers; securities issued by public or supranational entities may account for up to 20% of net assets.

The portfolio may invest in securities from any geographical region (although the SICAV will not be able to hold issues from companies headquartered outside the OECD).

Information regarding the geographical breakdown of issuers and the modified duration range within which the SICAV is managed is provided in the table below:

Modified duration range within which the UCITS is managed	Geographical area (nationality) of the securities issuers	Range of portfolio exposure to this region
0 to 7	Eurozone	0-100%
	European Union (outside of the eurozone)	0-100%

	OECD member countries	0-100%
	Non-OECD countries (including emerging countries)	None

Credit ratings for bonds and other debt securities:
- up to 100% of net assets in high-yield securities,
- Up to 50% of net assets in investment grade securities (excl. money market instruments),
- and up to 30% of net assets in non-rated securities.

Credit ratings refer to those issued by rating agencies or deemed of equivalent quality by the Management Company. 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.

There is a foreign exchange risk for shareholders of up to 10% of the SICAV's net assets.

The portfolio's modified duration falls within a range of 0-7. This modified duration will decline as the maturity date approaches.

The SICAV may also invest up to 10% of net assets in UCITS, AIFs or foreign money market investment funds and up to 10% of net assets in money market securities for cash management purposes.

From 1 January 2026, bonds reaching maturity will be reinvested in money market securities. The Management Company undertakes to convert, merge or liquidate the SICAV within a maximum of six months of 30 June 2026. New subscriptions will no longer be accepted from 1 September 2023.

Criteria for selecting securities:

Step 1: Securities selection process within the eligible investment universe:

The manager uses processes which combine a top-down and bottom-up approaches to identify 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 two 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 to that of companies in the same economic sector,
    - determining a theoretical valuation and comparing this to 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.

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.

Foreign UCITS, AIFs or investment funds will be selected using a top-down approach by asset class. This selection will be taken primarily from the Rothschild & Co group range.

Step 2: Portfolio construction
Portfolio construction is carried out in three stages:
(i) An initial phase of approximately six months from 28 February 2020, during which the UCITS portfolio will be constructed from bonds maturing on or before 31 December 2028 and money market securities (money market UCIs and paper securities). The average portfolio maturity shall range from January to December 2026.
(ii) A holding period (equal to the recommended investment period) during which at least 80% of the UCITS portfolio will consist of these bonds maturing on or before 31 December 2028 with an average portfolio maturity ranging between January and December 2026.
(iii) A period of monetisation, beginning on 1 January 2026, during which bonds in the portfolio reaching maturity will be replaced with money market securities. As a reminder, the Management Company undertakes to

convert, merge or liquidate the SICAV within a maximum of six months of 30 June 2026. New subscriptions will no longer be accepted from 1 September 2023.

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 one of the investments of the UCITS. 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 SICAV 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 through exclusion policies, the extra-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:** 0-10% of net assets

The SICAV will not invest in equities. However it may hold up to a maximum of 10% of its net assets in equities after exercising a conversion option attached to convertible bonds or as a result of the restructuring of an issuer's debt.

- **Debt securities, money market instruments, and fixed-income products:** 80-100% of net assets

In accordance with the holding range specified below, the SICAV portfolio will invest in bonds of any sector, geographical region and credit quality (up to 100% of net assets invested in high-yield securities, up to 50% of net assets in securities rated investment grade, and up to 30% of net assets in non-rated securities), with fixed, variable or adjustable rates, in EUR-denominated negotiable debt securities, inflation-indexed bonds, and medium-term negotiable notes, whose remaining maturity shall not exceed 31 December 2028. The SICAV also reserves the right to invest in bonds issued by financial entities (banks, insurance companies and financial service providers).

Securities issued by private issuers may account for up to 100% of net assets, of which 50% maximum invested in securities from financial sector issuers; securities issued by public or supranational entities may account for up to 20% of net assets. The portfolio may invest in securities from any geographical region (although the SICAV will not be able to hold issues from companies headquartered outside the OECD).

The SICAV may invest up to 100% of net assets in callable/puttable bonds, up to 10% of net assets in convertible bonds, and up to 15% of net assets in contingent convertible bonds.

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

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

- units or shares of French and/or European UCITS funds governed by European Directive 2009/65/EC,
- units or shares of French or foreign AIFS or foreign investment funds, which meet the four conditions set out by Article R. 214-13 of the French Monetary and Financial Code.
- units or shares of French UCIs, whether governed by European Directive 2009/65/EC or not, managed by the Rothschild & Co group.

These investments shall be made in money market UCIs.

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

	Fixed-income products	Units or shares of UCIs or investment funds
Holding ranges	80%-100%	0-10%
Investment in financial instruments of issuers in non-OECD countries (including emerging countries)	None	
Investment restrictions imposed by the Management Company	None	None

3. Use of derivatives:

The SICAV may invest up to 100% of its assets in derivatives traded on regulated, organised or over-the-counter markets. It will invest in interest rate, currency and credit risk for the purposes of exposure and/or hedging. These investments will be made in order to achieve the investment objective, as part of the management of exposure to interest rate, credit and foreign exchange risk.

The SICAV may invest in forward contracts such as currency forwards, interest rate, currency and credit options, and credit derivatives (credit default swaps).
Please note that the SICAV will not use Total Return Swaps (TRS).

The direct and indirect exposure to the fixed-income market, including exposure resulting from the use of derivatives, will serve to keep the portfolio's modified duration within a range of 0 to 7.

Credit derivatives:
Credit derivatives are used for hedging purposes through the purchase of protection:
in order to limit the risk of capital loss on certain issuers that are included in the portfolio
in order to take advantage of the deterioration in the credit quality of an issuer or basket of issuers not included in the portfolio, which is expected to exceed that of an exposure included in the portfolio
and for exposure purposes through the sale of protection against:
the credit risk of an issuer
the credit risk on baskets of CDS
Exposure through the use of credit derivatives will not exceed 100% of the SICAV's net assets.

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:

To achieve its investment objective, particularly in managing its exposure to credit risk, securities with embedded derivatives may be used (up to 10% of net assets in subscription warrants, warrants, indexed and structured BTMNs/EMTNs, convertible bonds, and up to 15% in convertible contingent bonds). The manager may also invest up to 100% of net assets in callable and/or puttable bonds.

The direct and indirect exposure to the fixed-income market, including exposure resulting from the use of securities with embedded derivatives, will serve to keep the portfolio's modified duration within a range of 0 to 7.

5. Deposits:

The SICAV may invest up to 10% of its assets in euro deposits with a maturity of three months 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.

7. Securities financing transactions: None.

Information regarding the financial collateral of the UCITS:
As part of transactions in over-the counter derivatives, the UCITS 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 UCITS 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.
Discounts 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;
- used for the purposes of reverse repurchase agreements, provided that these agreements are concluded with credit institutions subject to prudential supervision and that the UCITS can, at any time, recall the total amount of cash, taking into account the accrued interest; or
- invested in money market collective investment schemes.

Risk profile:

1. Credit risk: risk of a deterioration in the credit quality of, or a default by, an issuer included in the portfolio, or a default by a counterparty to an over-the-counter transaction (repurchase agreements). Thus, an increase in credit spreads may cause a reduction in the SICAV's net asset value. This risk will be even greater since the SICAV can invest up to 100% of net assets in high-yield (speculative) securities, up to 50% of net assets in securities rated investment grade, and up to 30% of net assets in non-rated securities.
2. Interest rate risk: This is the risk of a fall in fixed-income products as a result of interest rate fluctuations. It is measured by modified duration, which will be between 0 and 7. In periods of rising interest rates, the net asset value could decline significantly.
3. High-yield (speculative) credit risk: This is the credit risk that applies to speculative-grade securities, which have higher probabilities of default than securities in the investment grade category. They offer higher yield levels in exchange but may, in the event of significant uncertainty as to the solvency of the issuer, significantly reduce the net asset value of the UCITS. Any non-rated issuers that are selected, will similarly be included in this category and may present equivalent or greater risks because of their lack of rating. The increased risk of default by these issuers may lead to a decline in the net asset value.
4. Risk of capital loss: holders have no capital guarantee.
5. 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.
6. Discretionary management risk: the discretionary management risk relates to the manager's selection of securities and funds. There is a risk that the UCITS will not always be invested in the best-performing securities and funds.
7. Liquidity risk: risk associated with the low liquidity of high-yield securities (up to 100% of net assets), which makes them sensitive to significant buy/sell flows. This risk may lead to a decline in the net asset value.
8. Equity risk: Risk of a decline in the portfolio's net asset value due to declining equity markets.
9. Foreign exchange risk: Some assets are expressed in a currency other than the SICAV's accounting currency; changes in exchange rates may therefore cause the SICAV's net asset value to decline. However, foreign exchange risk will be limited, as hedging will be used to ensure that a maximum of 10% of the SICAV's assets are exposed to foreign exchange risk.
10. Risk related to extra-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 SICAV's performance may be higher or lower than that of a SICAV 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.

11. Sustainability risk: an environmental, social or governance-related event or condition 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 SICAV'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.

Guarantee or protection: None

Eligible investors and typical investor profile:
All investors. The shares of this SICAV 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 shares 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).

This SICAV is specifically intended for investors seeking to generate returns in EUR-denominated fixed-income markets through exposure to high-yield (speculative) securities over the recommended investment period.

The amount that can be reasonably invested in this SICAV depends on each shareholder's personal situation. To determine this amount, investors must consider their personal wealth, their current needs, and their needs over the recommended investment period as well as their willingness to take risks or, otherwise, favour a cautious investment. 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: from 28 February 2020 to 31 December 2026.

Establishment and allocation of amounts available for distribution:
Net income for the year is equal to the amount of interest, arrears, dividends, premiums, bonuses, and directors' fees, as well as all income relating to the securities held in the portfolio of the SICAV, plus income from temporary cash holdings, less management fees and borrowing costs.

Amounts available for distribution consist of the following:
1) net income for the year, plus retained earnings, and plus or minus the income equalisation account;
2) realised capital gains, net of charges, minus realised capital losses, net of expenses recognised 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 capital gains equalisation account.

The amounts indicated in points 1) and 2) above may be accumulated and/or distributed and/or retained, independently of each other, in whole or in part, according to the procedures described below.

the general meeting shall decide each year on the allocation of amounts available for distribution (accumulated, distributed, and/or retained).

C EUR, F EUR, R EUR, IC EUR, I CHF H and P CHF H shares: accumulation shares: distributable amounts shall be fully accumulated, with the exception of those amounts which are subject to compulsory distribution by law;

D EUR, ID EUR, Nagelmackers D and Nagelmackers ID shares: distribution shares: all amounts available for distribution shall be distributed to the nearest round number; The general meeting shall decide each year on the allocation of capital gains (accumulated, distributed, and/or retained).

Distribution frequency:
D EUR, ID EUR, Nagelmackers D and Nagelmackers ID shares: By decision of the annual general meeting with the possibility of an interim distribution by decision of the Board of Directors.

Share characteristics:
The SICAV's shares are denominated in EUR and broken down into ten-thousandths of shares.

Share classes	ISIN	Allocation of amounts available for distribution*	Currency of issue	Eligible investors	Minimum initial subscription amount***
C EUR	FR0013476215	Accumulation	EUR	All investors	EUR 2,500 Initial NAV: EUR 100
D EUR	FR0013476512	Distribution	EUR	All investors	EUR 2,500 Initial NAV: EUR 100
F EUR	FR0013476231	Accumulation	EUR	All investors	1 share Initial NAV: EUR 100
IC EUR	FR0013476249	Accumulation	EUR	All investors, but specifically intended for institutional investors	EUR 2 million Initial NAV: EUR 1,000
ID EUR	FR0013476504	Distribution	EUR	All investors, but specifically intended for institutional investors	EUR 2 million Initial NAV: EUR 1,000
R EUR	FR0013476256	Accumulation	EUR	All investors, but specifically intended for foreign distribution networks	1 share Initial NAV: EUR 100
I CHF H	FR0013476264	Accumulation	CHF**	All investors, but specifically intended for institutional investors	CHF 2 million Initial NAV: CHF 1,000
P CHF H	FR0013476272	Accumulation	CHF**	Shares reserved for foreign distribution networks acting under a mandate, and subject to the prior agreement of the Management Company	CHF 5,000 Initial NAV: CHF 100
Nagelmackers D EUR	FR0013187168	Distribution	EUR	All investors, but more specifically reserved for clients of the Nagelmackers group	1 share Initial NAV: EUR 100
Nagelmackers ID EUR	FR0013187176	Distribution	EUR	All investors, but more specifically reserved for clients of the Nagelmackers group	EUR 100,000 Initial NAV: EUR 1,000

* See the section below: “Allocation of amounts available for distribution”.
CHF shares are systematically hedged against the foreign exchange risk of the SICAV’s reference currency.
*** The Management Company or any other entity belonging to the same group is exempt from the initial minimum subscription obligation. The latter may subscribe for a minimum of one share.

Marketing period: The marketing period will last three years and six months, from 28 February 2020 to 31 August 2023. The various share classes will be closed to new subscriptions as of 1 September 2023.

Disclaimer: The investment objective is based on the assumption that the SICAV's shares are held throughout the recommended investment period, i.e., from 28 February 2020 until 31 December 2026, and that the market forecasts made by the Management Company on the date of the SICAV's approval by the AMF prove accurate. Consequently, the information provided in the investment objective may no longer be up to date for subscriptions taking place after the SICAV's initial marketing period.

Subscriptions and redemptions:

- for shares 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 CACEIS Bank and executed on the basis of the next net asset value (D) (unknown price).

- for shares to be registered or already registered in pure registered form within IZNES’ shared electronic record system, “DEEP”:
Subscription and redemption requests for shares to be registered or already registered in pure registered form within IZNES’ shared electronic record system, “DEEP”, are received and centralised each 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) (price unknown).

Each of the establishments will assume all the tasks relating to the management of the issue account as indicated above. CACEIS BANK will be responsible at SICAV 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). As a reminder, share subscriptions shall no longer be possible as of 1 September 2023. Any subsequent subscription requests shall therefore be refused.

Shareholders are advised that orders sent to any promoters other than CACEIS Bank or IZNES must take account of the fact that the centralisation deadline for the abovementioned orders applies to CACEIS Bank or IZNES.
Accordingly, these promoters must apply their own deadline prior to that mentioned above, to reflect the time required to transmit the orders to CACEIS Bank or IZNES.

Orders are executed in accordance with the table below:

D	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.

Condition for share exchanges, subject to eligibility:
Exchange requests are received and centralised each valuation day and executed according to the procedures indicated above. Any fractional shares are either settled in cash, or cash must be added to subscribe for an additional share, which will be exempt from any subscription fee.

Switches from one share class in the SICAV to another are regarded as a disposal followed by a repurchase and as such are subject to the tax system applicable to capital gains on disposals of securities.

Receipt of subscriptions and redemptions:

CACEIS Bank - Registered office: 89-91, rue Gabriel Péri - 92120 Montrouge Postal address: 12, place des États-Unis – CS 40083 – 92549 Montrouge CEDEX

IZNES, Service Opérations, 18, boulevard Malesherbes – 75008 PARIS
Net asset value calculation: The net asset value is established 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 website of the Management Company (Rothschild & Co Asset Management): https://am.eu.rothschildandco.com

Net asset value adjustment method associated with swing pricing with a trigger threshold:
If, on a NAV calculation day, the total of net subscription/redemption orders from investors across all share classes of the SICAV exceeds a threshold pre-established by the Management Company and determined on the basis of objective criteria as a percentage of the SICAV'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 share class is calculated separately, but any adjustment has, in percentage terms, an identical impact across all NAVs of the SICAV's share 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 sub-fund.

Given that this adjustment is related to the net balance of subscriptions/redemptions within the sub-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 1.50% of the NAV. Investors should note that, due to the application of swing pricing, the volatility of the SICAV's NAV may not reflect solely that of the securities held in the portfolio.

<u>However, the swing pricing mechanism will be rescinded during the monetisation period (from 1 January 2026).</u>

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 payable by the investor, charged upon subscription or redemption	**Base**	**Rate**
Subscription fee not retained by the UCITS	Net asset value X number of shares	2.5% maximum for all share classes
Subscription fee payable to the UCITS	Net asset value X number of shares	None
Redemption fee not retained by the UCITS	Net asset value X number of shares	None
Redemption fee payable to the UCITS	Net asset value X number of shares	None

Exemption:
(i) if the redemption order is immediately followed by a subscription, on the same day, in the same share class, and for the same amount on the basis of the same net asset value, no subscription or redemption fees will be charged.
Switches between share classes are regarded as a disposal followed by a repurchase and as such are subject to the tax system applicable to capital gains or losses on disposals of securities.
(ii) Rothschild & Co group entities and UCIs managed by a Rothschild & Co group entity are exempt from subscription and redemption fees.

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 costs include intermediation fees (brokerage, etc.) and turnover commissions, where applicable, which may be charged by the Depositary and the Management Company, in particular.

The following may be added to operating expenses and management fees:

- performance fees. These reward the Management Company if the UCITS exceeds its objectives. They are therefore charged to the UCITS;
- turnover commissions charged to the UCITS;

A portion of the management fees may be passed on to promoters and distributors.
For more information on the charges actually billed to the UCITS, please refer to the Key Information Document (KID).

	Fees charged to the UCITS	**Base**	**Rate**
1	Financial management fees Management fees not paid to the Management Company	Net assets	C EUR and D EUR shares: 1.00% maximum F EUR shares: 1.20% maximum R EUR shares: 1.60% maximum IC EUR, ID EUR and I CHF H shares: 0.50% maximum P CHF H shares: 0.70% maximum Nagelmackers D EUR share: 1.00% maximum Nagelmackers ID EUR share: 0.70% maximum
2	Maximum indirect fees: - management fees - other fees: - subscription: - redemption:	Net assets	Not applicable
3	Service providers collecting turnover commissions:	Payable on each transaction	None
4	Performance fee	Net assets	None

In addition, 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 SICAV.

For any additional information, please refer to the SICAV'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 UCI 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

Modifications requiring special notification to shareholders will be reported to each identified shareholder or via Euroclear France for unidentified shareholders in the form of an information notice.

Modifications not requiring special notification to shareholders will be communicated either in the SICAV's interim documents 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 CACEIS Bank for shares to be registered or already registered in bearer form within Euroclear, and (ii) via IZNES for shares 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 SICAV's annual report and on the management company's website: https://am.eu.rothschildandco.com

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, shareholders may contact the Management Company.

V. Investment rules

The SICAV will comply with the regulatory ratios applicable to UCITS investing less than 10% in UCITS, AIFs or foreign investment funds.

VI. Overall risk

The method to calculate the overall risk ratio is the absolute value at risk method as defined by the AMF's General Regulation (Art. 411-77 et seq.).
Value at risk (or VaR) calculates the maximum potential loss over a specified period of time with a given confidence level. On this basis, the VaR of the SICAV's portfolio is less than 20% of the SICAV's net assets over a 20-day period and with a 99% confidence level, corresponding to the use of fixed-income derivatives.

The percentage of the SICAV's assets corresponding to the use of derivatives is between 0% and 200%. As such, the portfolio's maximum leverage will be two.

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.

UCITS are valued at the last known price.

Treasury bills are valued at the market rate.

Bonds and similar securities comprising the UCITS's assets are valued at the mid-price.

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.
A simplified linearisation method is applied for negotiable debt securities with a remaining life of less than three months and not presenting any particular market sensitivity, on the basis of the crystallised three-month rate.

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.

Currency futures are valued at the daily fixing price, plus a variable premium/discount depending on the maturity and currencies of the contract.

Accounting method:

Interest is recognised according to the cash-basis method.

Additions to the portfolio are recognised at their acquisition price, excluding costs.

VIII. Remuneration

In compliance with Directive 2009/65/EC, Rothschild & Co Asset Management, as the delegated financial portfolio manager of the SICAV, 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 SICAV's risk profiles and regulatory documents 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 SICAV 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 AIF/UCITS 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 SICAV upon request to the SICAV's registered office.

R-CO THEMATIC TARGET 2026 HY

Open-ended investment fund (SICAV)
29, avenue de Messine – 75008 Paris
823 445 150 R.C.S. Paris

ARTICLES OF ASSOCIATION

TITLE 1 – FORM, PURPOSE, NAME, REGISTERED OFFICE, AND DURATION OF THE SICAV

Article 1 – Form

The holders of shares hereinafter created and shares subsequently created hereby form an open-ended investment fund (SICAV) governed, in particular, by the provisions of the French Commercial Code relating to public limited companies (Book II – Title II – Chapter V), the French Monetary and Financial Code (Book II – Title I – Chapter IV – Section I – Sub-section I), their implementing texts, subsequent texts, and by these articles of association.

Article 2 – Purpose

The purpose of this SICAV is to establish and manage a portfolio of financial instruments and deposits.

Article 3 – Name

The SICAV is an open-ended investment fund named “R-co Thematic Target 2026 HY”.

Article 4 – Registered office

The registered office is located at 29, avenue de Messine, Paris (75008), France.

Article 5 – Duration

The duration of the SICAV is 99 years from the date of its entry in the Trade and Companies Register, except in cases of early dissolution or extension provided for in these articles of association.

TITLE 2 – CAPITAL, VARIATIONS OF CAPITAL, AND CHARACTERISTICS OF THE SHARES

Article 6 – Share capital

The minimum share capital of the SICAV is EUR 300,000.

The initial capital of the SICAV is EUR 300,000 divided into 2,000 fully paid-up D EUR shares and 100 fully paid-up ID EUR shares.
It was constituted by the payment of EUR 300,000 in cash.

Share classes:
The characteristics and eligibility criteria for the various share classes are set out in the SICAV’s prospectus.

The different share 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 value;
- Be systematically hedged against 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 by decision of the EGM.

Shares may be subdivided on decision of the board of directors into tenths, hundredths, thousandths, or ten-thousandths, referred to as fractional shares.
The provisions of the articles of association governing the issue and redemption of shares shall also apply to fractional shares, whose value shall always be proportionate to that of the share that they represent. Unless otherwise stipulated, all other provisions of the articles of association relating to shares shall also apply to fractional shares.

Article 7 – Variations of capital

The amount of the capital is likely to vary, rising as a result of the issue of new shares and declining as a result of the redemption of shares at the request of shareholders.

Article 8 – Issues and redemptions of shares

Shares may be issued at any time upon the request of shareholders 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.

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 SICAV or management company is only required to obtain the written and signed agreement of the outgoing shareholder. If the redemption in kind does not correspond to a proportional share of assets in the portfolio, all shareholders must give their written approval authorising the redemption of the outgoing shareholder's shares 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 shareholders, 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 SICAV's prospectus.

In general, redeemed assets are valued according to the rules set out in Article 9, and redemptions in kind are carried out on the basis of the first net asset valuation following acceptance of the securities concerned.

Any subscription of new shares must be fully paid up, or the subscription shall be null and void. Newly issued shares shall have the same rights as shares in existence on the day of issue.

Pursuant to Article L. 214-7-4 of the French Monetary and Financial Code, the redemption of shares by the SICAV, and the issue of new shares, may be suspended on a temporary basis by the board of directors or executive board if this is necessary due to exceptional circumstances and required in the interests of shareholders.
If the net assets of the SICAV (or, where applicable, a sub-fund) fall below the minimum regulatory requirement, no redemptions of shares may be made.

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

The SICAV may cease to issue units pursuant to the third paragraph of Article L. 214-7-4 of the French Monetary and Financial Code, either temporarily or permanently, fully or partially, in situations that objectively require that subscriptions be closed, for example if a maximum number of shares or a maximum amount of assets is reached, or at the end of a fixed

subscription period. Should this provision be implemented, existing shareholders 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 shareholders can continue to subscribe throughout the duration of this partial closure. Shareholders shall also be informed by any means of the decision by the SICAV 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 shareholders.

Shareholders shall be informed of the exact reasons for these changes by any means.

Article 9 – Net asset value calculation

The net asset value of the share is calculated in accordance with the valuation rules specified in the prospectus.
In addition, an indicative instantaneous net asset value shall be calculated by the investment firm in the event of admission to trading.

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.

Article 10 – Form of the shares

The shares may be in bearer or registered form, at the choice of subscribers.
Pursuant to Article L. 211-4 of the French Monetary and Financial Code, the securities must be recorded in accounts, kept by the issuer or an authorised intermediary, as the case may be.

The rights of holders shall be represented by an entry in an account in their name:
- with the intermediary of their choice for bearer shares;
- with the issuer and, if they wish, with the intermediary of their choice for registered shares.

The company may, at its own expense, request the name, nationality and address of the SICAV's shareholders, together with the quantity of securities held by each of them in accordance with Article L. 211-5 of the French Monetary and Financial Code.

Article 11 – Admission to trading on a regulated market and/or a multilateral trading facility

Shares may be listed for trading on a regulated market and/or a multilateral trading facility in compliance with applicable laws and regulations. A SICAV whose shares 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 share does not deviate significantly from its net asset value.

Article 12 – Rights and obligations attached to shares

Each share entitles the holder to ownership of the corporate assets and an interest in the profits proportional to the fraction of the capital that it represents.

The rights and obligations attached to the share shall follow the security in any change of ownership.

Whenever it is necessary to own several shares in order to exercise any right whatsoever, and especially in the case of an exchange or merger, the owners of single shares or of a lower number of shares than is required, may only exercise these rights if they take personal responsibility for purchasing or selling the shares required.

Article 13 – Indivisibility of shares

All joint holders or beneficiaries of a share are required to be represented to the SICAV by a single person appointed by mutual agreement, or failing that, by the president of the commercial court with jurisdiction over the location of the registered office.

If fractions of shares are possible (Article 6):
Owners of fractions of shares may group together. In this case, they must be represented under the terms set out in the previous line, by a single person, who will exercise for each group, the rights attached to ownership of one whole share.

Voting rights at meetings may be allocated between the usufructuary and the bare owner, or leave this choice to the discretion of the interested parties, who shall be responsible for notifying the company.

TITLE 3 – ADMINISTRATION AND MANAGEMENT OF THE SICAV

Article 14 – Administration

The SICAV shall be administered by a board of directors of no fewer than three and no more than eighteen members appointed by the general meeting.
During the life of the SICAV, the directors shall be appointed or renewed in their functions by the ordinary general meeting of shareholders.
Directors may be natural persons or legal entities. Upon appointment, such legal entities must appoint a permanent representative who shall be subject to the same conditions and obligations and who shall incur the same civil and criminal liabilities as if they were a member of the board of directors in their own name, without prejudice to the liability of the legal entity represented.
This mandate as permanent representative is granted for the duration of the mandate of the legal entity represented. If the legal entity revokes the mandate of its representative, it shall be required to notify the SICAV immediately by registered letter of this revocation as well as the identity of its new permanent representative. The same is true in the event of the death, resignation, or extended incapacity of the permanent representative.

Article 15 – Term of office of directors – renewal of the board

Subject to the provisions of the last paragraph of this Article, the term of office for directors is three years for the initial directors and six years at most for subsequent directors, each year referring to the interval between two consecutive annual general meetings.
If one or more seats become vacant between two general meetings, as a result of death or resignation, the board of directors may make temporary appointments.
The director temporarily appointed by the board to replace another shall remain in office only for the remaining term of their predecessor. Their appointment shall be subject to ratification by the next general meeting.
Any outgoing director may be re-elected. They may be dismissed at any time by the ordinary general meeting.

The functions of each member of the board of directors shall end at the conclusion of the ordinary general meeting of shareholders to approve the accounts of the preceding financial year and held in the year in which his or her term expires, on the understanding that, if the meeting is not held during this year, said functions of the member in question shall end on 31 December of the same year, all subject to the exceptions below.
A director may be appointed for a period of less than six years if this is necessary to ensure that, insofar as possible, the board is renewed at regular intervals and fully for each period of six years. This shall be the case particularly if the number of directors is increased or decreased and this has an impact on the regularity of renewals.
If the number of members of the board of directors falls below the statutory minimum, the remaining member(s) must immediately convene the ordinary general meeting of shareholders to make appointments to ensure that the board has an appropriate number of members.
The number of directors over the age of 95 years old may not be more than one third of the directors in office. If this limit is exceeded, the oldest board member is deemed to have resigned from office.

The board of directors may be renewed in part.

In the event of the resignation or death of a director when the number of directors remaining in office is greater than or equal to the minimum required by the articles of association, the board may, on a provisional basis and for the remainder of the term, provide for their replacement.

Article 16 – Executive committee

The board shall elect from among its members, for the duration that it determines but not exceeding the duration of the director's term, a chairman who must be a natural person.
The chairman of the board of directors organises and manages the work of the board and presents this at the general meeting. The chairman shall ensure that the management bodies of the SICAV function properly and, in particular, that the directors are able to fulfil their duties.

If it deems it useful, the board of directors shall also appoint a vice-chairman and may also choose a secretary, who may be someone who is not on the board of directors.
In the event of a temporary absence or the death of the chairman, the board will designate a session chairman chosen from among the vice-chairmen or, failing this, from among the board members.

Article 17 – Meetings and deliberations of the board

Meetings of the board of directors are called by its chairman as often as required in the interests of the SICAV, either at the registered office or at any other location indicated in the notice of meeting.
If the board has not met for more than two months, at least one third of its members may ask the chairman to convene a meeting for a specific agenda. The chief executive officer may also ask the chairman to convene the board of directors on a specific agenda. The chairman shall be bound by these requests.

Internal regulations may define, in accordance with legal and regulatory provisions, the conditions for organising meetings of the board of directors, which may take place by videoconference, except for the adoption of decisions expressly prohibited by the French Commercial Code.
Convening notices for the board meeting to approve the annual accounts shall be sent by post to each of the board members. For all other committee meetings, a verbal convocation is allowed.

The presence of at least half of the members shall be required for valid deliberations. Decisions shall be taken by a majority of the members present or represented.
Each director shall have one vote. In the event of a tied vote, the chairman of the meeting shall have the casting vote.

If a videoconference is allowed, in compliance with prevailing regulations, the internal rules may stipulate that board members taking part in the board meeting via video are considered to be present for quorum and majority calculations.

Article 18 – Minutes

Minutes shall be kept, and copies or extracts of deliberations shall be issued and certified in accordance with the law.

Article 19 – Authority of the board of directors

The board of directors shall set the SICAV's business strategy and oversee its implementation. Within the limits of the corporate purpose and subject to the powers expressly conferred to shareholders' meetings by law, the board of directors shall consider any matter involving the proper functioning of the SICAV and rule on matters that concern it through its deliberations. The board of directors shall carry out the checks and verifications that it deems appropriate. The chairman or chief executive officer of the SICAV shall provide each board directors with the documents and information required to carry out their duties.

Board members may give a proxy to other board members to represent them at a meeting of the board of directors. During a single board meeting, each director may only use one of the proxies received. These provisions are applicable to the permanent representative of a legal entity standing as board member.

Article 20 – General management

Either the chairman of the board of directors or another natural person appointed by the board of directors and bearing the title of chief executive officer shall assume responsibility for the general management of the SICAV.

The choice between the two methods of general management shall be made under the conditions established in these articles of association by the board of directors for a term ending upon the expiry of the functions of the chairman of the board of directors currently in office. Shareholders and third parties shall be informed of this choice pursuant to the legal and regulatory provisions in force.
Depending on the choice made by the board of directors in accordance with the provisions set out above, the chairman or a chief executive officer shall be responsible for general management.
If the board of directors chooses to separate the functions of chairman and chief executive officer, it shall appoint the chief executive officer and set the duration of his or her term of office.
If the chairman of the board of directors is responsible for the general management of the SICAV, the following provisions relating to the chief executive officer shall apply to the chairman.

Subject to the powers that the law expressly allocates to shareholders' meetings as well as the powers that it specifically reserves for the board of directors, and within the limit of the corporate purpose, the chief executive officer shall be vested with the broadest powers to act in the name of the SICAV in all circumstances. The chief executive officer's powers shall be exercised within the limits of the corporate purpose and subject to those powers that the law expressly grants to

shareholders' meetings and the board of directors. The chief executive officer shall represent the SICAV in its relations with third parties.
The chief executive officer may grant all partial delegations of their powers to any person of their choice.
The chief executive officer may be dismissed at any time by the board of directors.
Upon the recommendation of the chief executive officer, the board of directors may appoint up to five natural persons to assist the chief executive officer, who shall have the title of deputy chief executive officers.

The deputy chief executive officers may be dismissed at any time by the board on the proposal of the chief executive officer.
In agreement with the chief executive officer, the board of directors shall determine the extent and duration of the powers delegated to the deputy chief executive officers.
These powers may include the ability to make partial delegations. In the event of the chief executive officer's departure or incapacity, they shall maintain their functions and powers until the appointment of the new chief executive officer, unless the board decides otherwise.
The deputy chief executive officers shall have the same powers as the chief executive officer as regards third parties.

For the performance of their functions, the chief executive officer and deputy chief executive officers must be under the age of 95 years. Any chief executive officer or deputy chief executive officer who has reached the age of 95 shall continue to carry out their duties until the ordinary general meeting ruling on the accounts for the financial year during which they reached the age limit.

Article 21 – Allowances and remuneration of the board

The remuneration of the chairman of the board of directors and that of the chief executive officers shall be set by the board of directors; it may be fixed or both fixed and proportional.
Annual fixed remuneration may be assigned to the board of directors in the form of directors' fees; the amount of these fees is determined by the annual general meeting and they shall be maintained until otherwise decided by said meeting.
The board of directors shall divide this remuneration among its members as it sees fit.

Article 22 – Depositary

The depositary shall be appointed by the board of directors.

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 SICAV or 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 23 – Prospectus

The board of directors, or the management company if the SICAV has delegated its overall management, shall have all powers to make any changes necessary to ensure the proper management of the SICAV, within the framework of the legal and regulatory provisions specific to SICAVs.

TITLE 4 – STATUTORY AUDITOR

Article 24 – Appointment – Powers – Remuneration

The statutory auditor shall be appointed from among persons authorised to carry out this function for commercial companies for a term of six financial years by the board of directors, 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 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 SICAV's board of directors or 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.

TITLE 5 – GENERAL MEETINGS

Article 25 – General meetings

General meetings shall be convened and shall deliberate under the conditions provided for by law.
The annual general meeting, which must approve the SICAV's financial statements, must be convened within four months of the financial year-end.
General meetings shall be held at the SICAV's registered office or at any other location defined in the notice convening the meeting.
Any shareholder may participate, personally or through a proxy, in general meetings, subject to proof of identity and ownership of shares, either via an entry in the registered security accounts maintained by the SICAV, or an entry in the bearer security accounts, at the locations mentioned in the notice of meeting; these formalities must be completed two days before the date of the general meeting.
A shareholder may be represented in accordance with the provisions of Article L. 225-106 of the French Commercial Code.

A shareholder may also vote by correspondence under the conditions provided for by the regulations in force.
General meetings shall be chaired by the chairman of the board of directors or, in their absence, by a vice-chairman or by a director appointed for this purpose by the board. Failing this, the general meeting shall elect its chairman.
Minutes of the general meeting shall be prepared, and their copies shall be certified and issued in accordance with the law.

TITLE 6 – ANNUAL FINANCIAL STATEMENTS

Article 26 – Financial year

The financial year shall begin on the day after the last trading day on the Paris stock exchange in December and end on the last trading day on the Paris stock exchange in December of the following year.
However, as an exception, the first financial year shall include all transactions carried out from the creation date until the last trading day on the Paris stock exchange in December 2016.

Article 27 – Allocation of amounts available for distribution

The board of directors shall establish the net income for the year, which, in accordance with the provisions of the law, is equal to the amount of interest, arrears, premiums, bonuses, dividends and directors' fees, as well as all income relating to securities held in the SICAV's portfolio, plus income from temporary cash holdings, less management fees and borrowing costs. Amounts available for distribution are equal to net income plus retained earnings (except for accumulation SICAVs), plus or minus the balance of the income equalisation account for the financial year ended.

Pursuant to the applicable legal provisions, amounts available for distribution by undertakings for collective investment in transferable securities are comprised of:
1) Net income for the year plus retained earnings, plus or minus the balance of the income equalisation account;
2) Realised capital gains, net of charges, minus realised capital losses, net of expenses recognised 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 capital gains equalisation account.

The amounts indicated in points 1) and 2) above may be accumulated and/or distributed and/or retained, independently of each other, in whole or in part.

Amounts available for distribution must be paid within a maximum period of five months after the year-end.

Each year, the annual general meeting shall decide on the allocation of the amounts available for distribution.

For each share class, where applicable, the SICAV may opt for one of the following formulas for each of the amounts mentioned in points 1) and 2):

- Pure accumulation: distributable amounts shall be fully accumulated, with the exception of those amounts which are subject to compulsory distribution by law;
- Pure distribution: all amounts available for distribution shall be distributed to the nearest round number; the company may make interim dividend distributions;
- For SICAVs that would like to remain free to accumulate and/or distribute, and/or retain amounts available for distribution, the general meeting shall decide each year on the allocation of the amounts indicated in points 1) and 2).

Where applicable, the board of directors can decide, during the financial year, to distribute one or more interim dividends, within the limits of the amounts of net income recognised in each of points 1) and 2) as of the decision date, and shall also determine the amounts of any interim dividends and their distribution dates.

For the (i) distribution only and (ii) accumulation and/or distribution shares, the general meeting shall decide each year on the allocation of capital gains (accumulated, distributed, and/or retained).

More precise details concerning the allocation of distributable amounts are provided in the prospectus.

TITLE 7 – EXTENSION – DISSOLUTION – LIQUIDATION

Article 28 – Extension or early dissolution

At any time and for any reason whatsoever, the board of directors may propose the extension, early dissolution, or liquidation of the SICAV to an extraordinary general meeting.
The issue of new shares and the redemption of shares by the SICAV at the request of shareholders shall cease on the day of publication of the notice of the general meeting at which the early dissolution and liquidation of the SICAV are proposed, or at the expiry of the duration of the SICAV.

Article 29 – Liquidation

The liquidation methods shall be established according to the provisions of Article L.214-12 of the French Monetary and Financial Code.

TITLE 8 – DISPUTES

Article 30 – Jurisdiction – Election of domicile

Any disputes that may arise during the SICAV's lifetime or liquidation, either between shareholders and the SICAV, or between shareholders themselves on matters relating to the SICAV, shall be heard and decided in accordance with the law and subject to the jurisdiction of the competent courts.

Articles of association updated following the extraordinary general meeting of 27 May 2019

ADDITIONAL INFORMATION FOR INVESTORS IN BELGIUM

Investors may contact:

- CACEIS Belgium SA concerning:

  - processing subscription, repurchase and redemption orders and making other payments to shareholders relating to the shares of the Sicav
  - 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: Avenue du Port 86 C b 320 - 1000 Bruxelles – Belgium or
  by email: FDS-Investor-Services@caceis.com

- Rothschild & Co Asset Management, concerning:

  - all claims and shareholders rights related to their investment in the SICAV

  at the following address: 29 avenue de Messine 75008 Paris - France
  Phone: +33 (0)1 40 74 40 74 – email: clientserviceteam@rothschildandco.com

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.

Product name: R-co Thematic Target 2026 HY

Legal entity identifier: 969500S8IBRVKMMNR362

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]	☒ 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 20.00% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective 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	☒ with an environmental objective 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]	☒ with a social objective
	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

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.).

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

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 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 (reduction targets, green share, categories of activities in transition, etc.)
- 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/regulatory-information/

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).

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.

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?

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: o PAI 10 – Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, for corporate issuers; o PAI 14 – Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons), for corporate issuers; o PAI 16 – Investee countries subject to social violations, for sovereign issuers; – A proprietary quantitative scoring model incorporating the 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/regulatory-information/

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:

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 UCITS will invest between 80% and 100% of the net assets (hereinafter "NA") in fixed-, variable- or adjustable-rate bonds and other negotiable debt securities, inflation-linked bonds and medium-term notes, with a maximum of 10% in convertible bonds, and with at least 80% denominated in euro. Securities issued by corporate issuers may represent up to 100% of the NA, with a maximum of 50% in financial sector issuers; public or supranational entities may account for up to 20% of the NA. They may be from any geographical region, with up to 30% in companies headquartered outside the OECD (including in emerging markets); and have any rating: up to 100% of the NA in high-yield securities, 50% in securities rated investment grade and 30% in unrated securities. Credit ratings refer to those issued by rating agencies or deemed of equivalent quality by the management company. The UCITS' equity holdings may account for up to 10% of the NA, UCITS, AIF and foreign money market investment funds up to 10% of the NA, and money market instruments up to 10% of the NA. Foreign exchange risk represents up to 10% of the NA.
Please refer to the prospectus for further information.

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

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 and international sanctions

o Discretionary exclusions: United Nations Global Compact (UNGC) and thermal coal

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 level of Taxonomy-aligned and sustainable investments

Active engagement
o Dialogue primarily focused around our top-priority themes (climate transition, inclusion and fair transition, etc.) and controversies,
o A responsible voting policy for the entire equity scope,
o Active participation in multiple industry working groups (ADEME, Finance for Tomorrow, AFG, Climate Action 100+, etc.) on the strategies implemented in the portfolios (impact, biodiversity, fossil fuel, 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 offer an opportunity to assess the sustainability risks and ESG issues associated with specific issuers and/or portfolios.
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. 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.

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

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:

<u>Standards-based screening</u>
In accordance with our common exclusion framework, sovereign and corporate issuers subject to international sanctions 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), 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.

In the context of MSCI ESG Research's ESG ratings, the governance pillar is considered material for all sectors and has a minimum weighting of 33% when calculating the final ESG score for every issuer. This governance pillar is based on two sub-themes: Corporate governance (structure and control, board of directors, remuneration and accounting) and corporate behaviour (business ethics and tax transparency). The topics addressed within each of these categories include sound management structures, remuneration matters, employee relations and tax compliance.

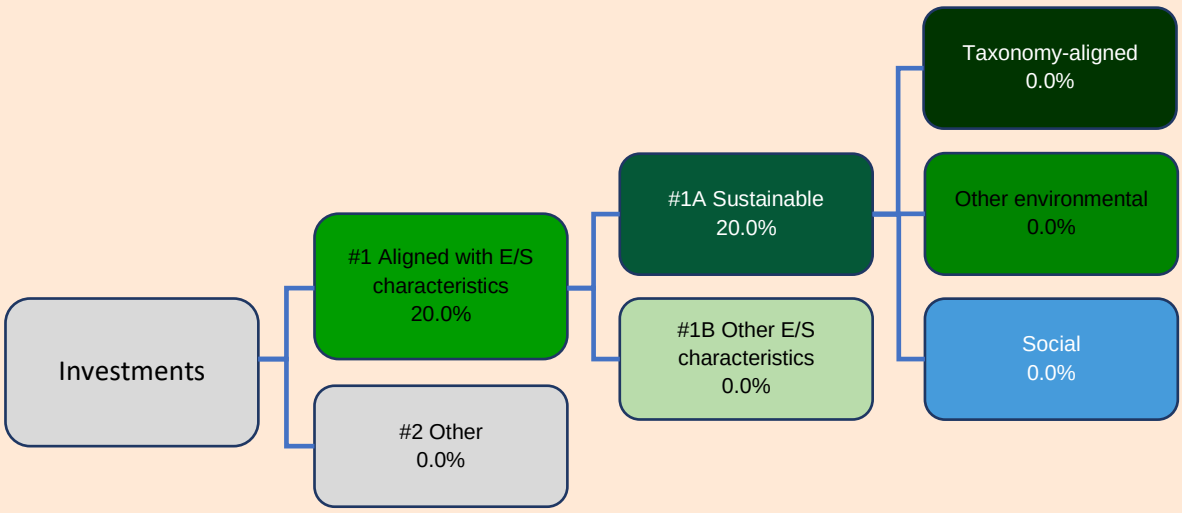
We see assessing good governance practices as an ongoing process, and the investment teams are encouraged to engage directly with companies to obtain additional information, raise concerns and/or resolve issues linked to the governance practices identified or associated controversies.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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?

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.

Does the financial product invest in nuclear and/or fossil gas related activities that are aligned with the EU Taxonomy[1]?

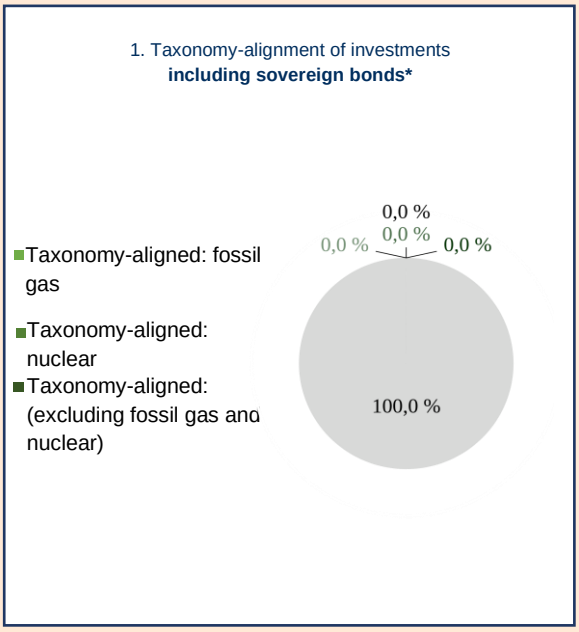
☒ Yes

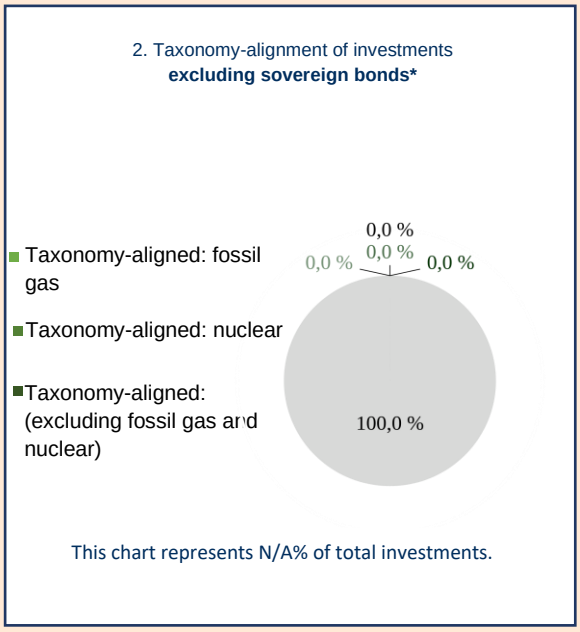
☒ In fossil gas ☒ In nuclear energy

☐ No

[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.

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?

Are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under 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 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 prospectus, 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.

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

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.

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/