

June 30, 2020

# ODDO BHF European Banks



CR-EUR - Eur | FUNDAMENTAL EQUITIES - THEMATIC - EUROPE BANK

Assets Under Management 51 M€  
NAV per Unit 98.43€  
Evolution vs M-1 4.17€

Morningstar category :  
Sector Equity Financial Services

① ② ③ ④ ⑤ ⑥ ⑦  
Risk/return scale (¹)

## Countries in which the fund is authorised for distribution to the public:

FR IT CHE ESP

### Portfolio Managers

Allex KOAGNE, Emmanuel CHAPUIS

### Key features

Benchmark: STOXX Europe 600 Banks Net Return

Recommended investment horizon: 5 Years

Inception date of the fund: 8/10/07

Initial date of performance: 8/10/07

|   |  |
|---|--|
| Legal structure                                     | French FCP   |
| ISIN code   | FR0010493957   |
| Bloomberg code                                      | ORSATRA FP   |
| Currency  | Euro   |
| Dividend policy                                     | Accumulation unit  |
| Minimum (initial) investment                        | 1 thousandth of a unit   |
| Subscription fees                                   | 4 % (maximum)  |
| Redemption fees                                     | Nil  |
| Management fees                                     | Maximum 2% of assets, inclusive of tax.  |
| Performance fees                                    | 20%, inclusive of tax, of the FCP's outperformance relative to the benchmark index provided that the Fund's performance is positive. |
| Ongoing charges                                     | 2.32%  |
| Management company                                  | ODDO BHF AM SAS  |
| Custodian   | ODDO BHF SCA, France (Paris)   |
| Administration and Accounting                       | EFA  |
| Subscriptions/ redemptions                          | 11:15am D  |
| NAV calculation frequency                           | Daily  |
| Transaction fees received by the Management Company | Transaction fees are listed in the prospectus and may be applied in addition to the fees shown above.                                |

### Technical and risk indicators\*

|                   | 3 years | 5 years |
|-------------------|---------|---------|
| Jensen's Alpha    | 0.35%   | -0.93%  |
| Sharpe ratio      | -0.57   | -0.50   |
| Information ratio | 0.05    | -0.30   |
| Tracking Error    | 3.82%   | 3.51%   |
| Beta              | 1.01    | 1.01    |
| Correlation       | 0.99    | 0.99    |

### Investment strategy

The Fund's objective is to outperform the Stoxx Europe 600 Banks Net Return index over a minimum investment horizon of five years.

### Annual performance (rolling 12 months)

| from      | 6/30/15 | 6/30/16 | 6/30/17 | 6/29/18 | 6/28/19 |
|-----------|---------|---------|---------|---------|---------|
| to        | 6/30/16 | 6/30/17 | 6/29/18 | 6/28/19 | 6/30/20 |
| Fund      | -42.1%  | 48.7%   | -10.8%  | -14.1%  | -25.3%  |
| Benchmark | -38.6%  | 50.7%   | -8.5%   | -13.3%  | -28.6%  |

Past performance is not an indication of future results. Performance may vary over time.

### Calendar performance (from January 01 to December 31)

|           | 2015  | 2016   | 2017  | 2018   | 2019  |
|-----------|-------|--------|-------|--------|-------|
| Fund      | 3.4%  | -10.0% | 12.0% | -29.3% | 17.0% |
| Benchmark | -0.4% | -2.8%  | 11.7% | -25.4% | 13.5% |

### Performance Analysis

|           | Annualized performance |         |          | Cumulative performance |        |        |         |         |          |
|-----------|------------------------|---------|----------|------------------------|--------|--------|---------|---------|----------|
|           | 3 years                | 5 years | 10 years | 1 month                | YTD    | 1 year | 3 years | 5 years | 10 years |
| Fund      | -17.0%                 | -13.2%  | -2.0%    | 4.4%                   | -31.9% | -25.3% | -42.8%  | -50.7%  | -18.1%   |
| Benchmark | -17.3%                 | -12.1%  | -0.6%    | 5.4%                   | -34.3% | -28.6% | -43.4%  | -47.6%  | -6.0%    |

### 10-year change in performance (base 100)



### Annualized volatility

|           | 1 year | 3 years | 5 years |
|-----------|--------|---------|---------|
| Fund      | 43.37% | 28.99%  | 27.92%  |
| Benchmark | 43.13% | 28.49%  | 27.43%  |

\*Definitions of the financial indicators used are available for download on the website [www.am.oddo-bhf.com](http://www.am.oddo-bhf.com) under the heading 'Regulatory information'.

Sources : ODDO BHF AM SAS, Bloomberg, Morningstar®

The Fund changed its investment objective and strategy on 12/07/2011. Returns prior to this date are therefore not representative of the current management implementation.

(1) Risk/return scale in a range from 1 (lowest risk) to 7 (highest risk). This indicator is not constant and is updated if the risk/reward profile of the fund changes over time. The lowest category does not mean a risk-free investment. Historical data, such as is used to calculate the risk/return ratio, may not be a reliable indication of the future risk profile of the Fund. There is no guarantee that the management objectives in terms of risk and return will actually be met.

## Portfolio manager comment

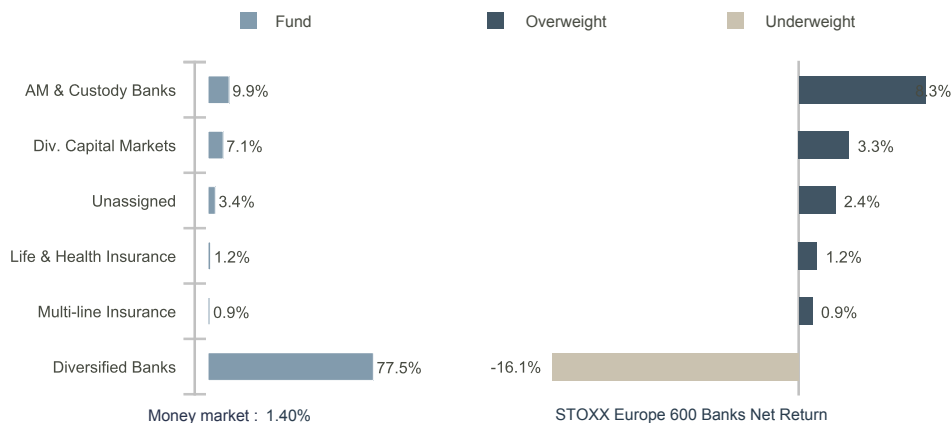
In June, the STOXX 600 gained 3.1%, taking YTD losses to -11.8%, dividends reinvested. There were several factors behind the continued rally: 1) healthy macroeconomic statistics which, at this point, appear to support a V-shaped recovery; 2) the Fed's ever-increasing support for the US economy, through an extension of its corporate bond repurchase programmes; 3) the ECB's EUR 600 billion increase in the PEPP, taking the total to EUR 1.35 trillion by mid-2021; and 4) the European Commission's proposal, prompted by France and Germany, to create a European recovery fund amounting to EUR 750 billion, financed by debt issued by the European Union. Sovereign bonds continued to act as safe-haven assets, with US 10-year yield spreads stabilising and German and French spreads tightening by 1 and 3 bps respectively.

Against this backdrop, the STOXX Banks NR index recorded monthly performance of 5.4%. The sector's rally can primarily be attributed to excellent macroeconomic news, the ECB's actions and the encouraging noises from banks about CIB and changes in the cost of risk in Q2 2020. Standard Chartered (+18.2%), Natixis (+16.7%), BPM (+15.4%), UBI (+14.5%) and Fineco (+14.4%) boosted the sector's performance. In contrast, Raiffeisen (-4.1%), DNB (-4.1%), Julius Baer (-2.7%), Cembra Money (-2.1%) and Barclays (-1.7%) contributed negatively in June. Over the month, 2020 EPS forecasts for the STOXX 600 Banks were downgraded by 6.2% (versus -3.3% for the STOXX 600), indicating a contraction of 57.7% compared with 2019.

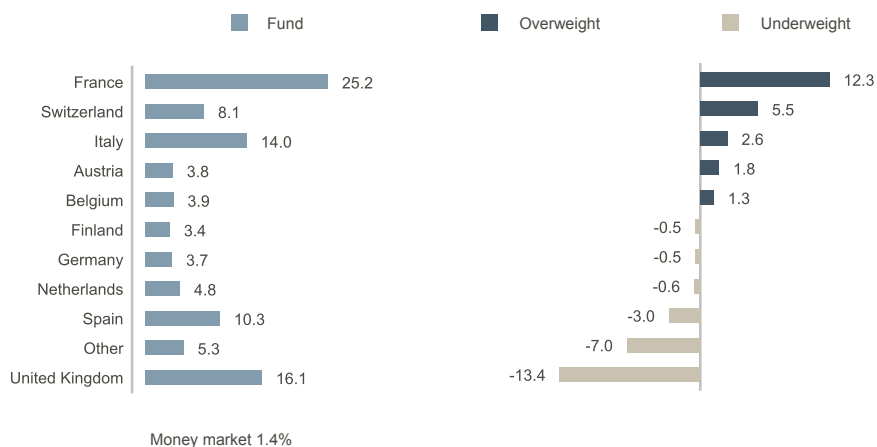
Odco BHF European Banks CI increased by 4.42% over the month, underperforming its benchmark by 1.01%. This underperformance can be largely explained by our underexposure to HSBC, Standard Chartered, Deutsche Bank, RBS and Sabadell.

In terms of portfolio changes, we reduced our exposure to UBS and Credit Suisse following their removal from the benchmark index. Conversely, we increased our exposure to Crédit Agricole, Natixis, UCI and Worldline.

## Sector breakdown: portfolio vs benchmark



## Geographic breakdown: portfolio vs benchmark (%)



## Main equity portfolio holdings

| Security name             | Weight* | Weight** | Sector            | Country        |
|---------------------------|---------|----------|-------------------|----------------|
| Bnp Paribas               | 9.86%   | 7.95%    | Diversified Banks | France         |
| Banco Santander Sa        | 6.44%   | 7.04%    | Diversified Banks | Spain          |
| Unicredit Spa             | 4.90%   | 3.57%    | Diversified Banks | Italy          |
| Hsbc Holdings Plc         | 4.88%   | 16.79%   | Diversified Banks | United Kingdom |
| Ing Groep Nv              | 4.84%   | 4.71%    | Diversified Banks | Netherlands    |
| Intesa Sanpaolo           | 4.36%   | 5.42%    | Diversified Banks | Italy          |
| Credit Agricole Sa        | 4.32%   | 2.09%    | Diversified Banks | France         |
| Lloyds Banking Group Plc  | 4.21%   | 4.71%    | Diversified Banks | United Kingdom |
| Kbc Groep Nv              | 3.91%   | 2.59%    | Diversified Banks | Belgium        |
| Societe Generale Sa       | 3.86%   | 2.46%    | Diversified Banks | France         |
| Number of equity holdings | 40      |          | * Fund            | ** Benchmark   |

**RISKS:** The fund is exposed to the following risks : risk of capital loss, equity risk, risk associated with discretionary management, currency risk, risk associated with commitments on forward financial instruments, counterparty risk, risks associated with portfolio concentration, risk associated with holding small and medium capitalisations

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