

June 28, 2019

ODDO BHF Immobilier



CN-EUR - Eur | FUNDAMENTAL EQUITIES - THEMATIC - EUROZONE REAL ESTATE

Assets Under Management	306 M€	Category Property - Indirect Eurozone	①②③④⑤⑥⑦
NAV per Unit	2,289.37€	Morningstar™ ★★★★★	Rating at 5/31/19
Evolution vs M-1	-85.78€		Risk/return scale (*)

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

FR IT CHE DEU PRT ESP

Portfolio Managers	Investment strategy
Véronique GOMEZ, Pierre TOUSSAIN	Invested primarily in EU property companies, the Oddo BHF Immobilier seeks to outperform the FTSE EPRA/NAREIT Euro zone CAPPED Index Net TRI over a minimum investment horizon of five years. The fund applies a bottom-up, conviction-based investment approach to select companies positioned on the best segments of the EU property market (shopping centres, offices, housing).

Key features	Annual performance (rolling 12 months)
Benchmark: FTSE EPRA/NAREIT Eurozone Capped Index (NR)	
Recommended investment horizon: 5 Years	
Inception date of the fund: 9/12/89	
Initial date of performance: 5/30/12	

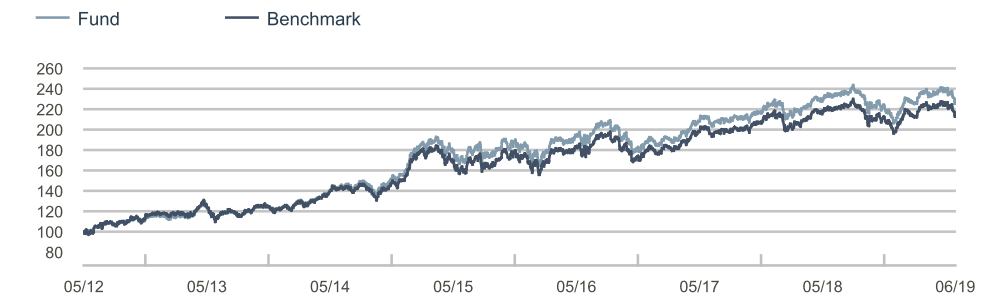
Legal structure	French FCP
ISIN code	FR0011109354
Bloomberg code	ODDIMB2 FP
Currency	Euro
Dividend policy	Accumulation units
Minimum (initial) investment	1 thousandth of a unit
Subscription fees	4 % (maximum)
Redemption fees	Nil
Management fees	0.90% (inclusive of tax) of the net assets excluding UCITS
Performance fees	10% of the fund's outperformance relative to the benchmark index provided that the fund's performance is positive.
Ongoing charges	1.22%
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	Transaction fees are listed in the prospectus and may be applied in addition to the fees shown above.

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

Calendar performance (from january 01 to december 31)	2014	2015	2016	2017	2018
Fund	26.2%	19.3%	2.6%	17.9%	-7.2%
Benchmark	22.0%	17.0%	3.8%	17.6%	-7.5%

Performance Analysis	Annualized performance			Cumulative performance					
	3 years	5 years	Inception	1 month	YTD	1 year	3 years	5 years	Inception
Fund	6.0%	9.7%	12.4%	-3.6%	9.7%	-2.0%	19.2%	58.8%	128.9%
Benchmark	6.0%	8.7%	11.5%	-3.6%	8.8%	-2.0%	19.2%	51.4%	115.9%

Change in performance since inception (base 100)



Annualized volatility	1 year	3 years	5 years
Fund	11.04%	12.00%	13.90%
Benchmark	11.19%	12.10%	14.13%

*Definitions of the financial indicators used are available for download on the website www.am.oddo-bhf.com under the heading "Regulatory information".
Sources : ODDO BHF AM SAS, Bloomberg, Morningstar®

(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

Proactive efforts by central banks to boost growth, expectations of fresh trade talks between the United States and China to agree new international trade rules and low bond yields all pushed indices to the historic highs seen in late April.

However, this favourable context was of little benefit to listed property companies, with investors taking profits on German residential property companies in particular. The EPRA Euro Zone index underperformed relative to the equity markets, falling by 3.6% compared with a drop of 4.3% for the STOXX 600.

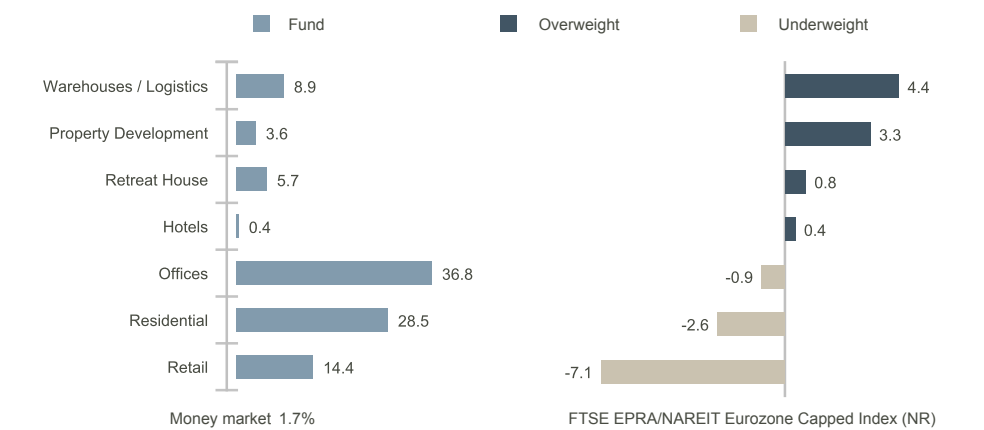
As regards German property companies, a campaign by tenants' associations in Berlin to have the government seize property from landlords prompted Berlin senator Katrin Lompscher (Die Linke) to introduce a five-year rent cap. The bill is scheduled to be presented to the Berlin municipal council in late August and, if approved by the Berlin senate, would enter the legislative process in October and then enter into force in January 2020. The proposed law is likely to be deemed unconstitutional, since it contravenes Germany's federal property law, but there is a risk of a bitter and protracted legal and political battle.

The bad news caused German property company prices to fall across the board. It even affected companies with no exposure to Berlin, such as LEG Immobilien, although the sell-off was particularly sharp for Deutsche Wohnen and ADO Properties, which are seen as being more Berlin-centric than other companies.

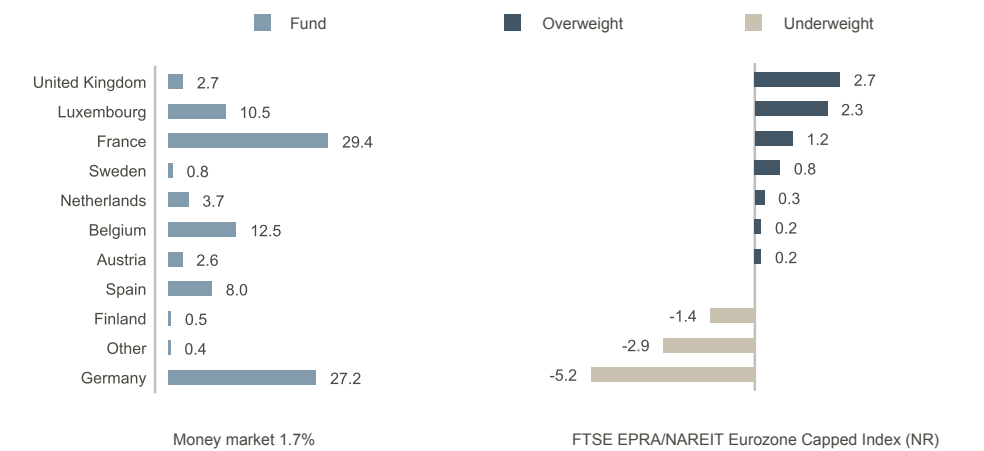
In this context, we scaled back our position in ADO Properties and continued to take profits on Grand City in order to strengthen LEG Immobilien and invest in Finnish residential property company Kojamo. The latter primarily manages property in Helsinki (67.6% at the end of 2018 in value terms) and has a portfolio made up of 34,713 apartments spread across the seven largest cities in Finland. These assets stand to benefit from the urbanisation trend that is fuelling population growth in the country's main cities.

Last month we also opened a position in Swedish company Klovern, which is mainly focused on offices (78% of its assets) and, to a lesser extent, on retail (12%) and logistics (10%). The company's largest market is Stockholm (53% of its asset value). It has an opportunistic strategy built around growth, and the economic cycle still seems favourable in Sweden. We also took advantage of the persistent strength of Spanish property company prices in June, scaling back our positions in Merlin Properties and Inmobiliaria Colonial; at the same time, we expanded our position in French office property company Gecina.

Sector breakdown: portfolio vs benchmark (%)



Geographic breakdown: portfolio vs benchmark (%)



Main equity portfolio holdings

Security name	Weight*	Weight**	Sector	Country
Vonovia Se	8.89%	9.48%	Residential	Germany
Gecina Sa	7.01%	7.04%	Offices	France
Unibail-Rodamco Se & Wfd	6.73%	9.08%	Retail	France
Leg Immobilien Ag	5.61%	5.82%	Residential	Germany
Deutsche Wohnen Se	5.46%	7.26%	Residential	Germany
Covivio	4.58%	4.03%	Offices	France
Aroundtown Sa	4.44%	3.92%	Offices	Luxembourg
Klepierre	4.35%	4.14%	Retail	France
Merlin Properties Socimi Sa	4.34%	4.15%	Offices	Spain
Warehouses De Pauw Sca	3.95%	2.74%	Warehouses / Logistics	Belgium
Number of equity holdings	39		* Fund	** Benchmark

The fund is exposed to the following risks : risk of capital loss, equity risk, interest rate risk, credit risk, risk associated with discretionary management, currency risk, counterparty risk, risk associated with holding small and medium capitalisations, risks associated with concentrating the portfolio on the real estate sector and on an ancillary basis risk associated with high yield bonds, risk associated with convertible bonds

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