

ODDO BHF Sustainable European Convertibles

CI-EUR - Eur | FIXED INCOME - CONVERTIBLE BONDS - EUROPE

Assets Under Management **98 M€** Morningstar™ Category:
 NAV per Unit **1,259.98€** Convertible Bond - Europe
 Evolution vs M-1 **10.77€** ★★ Rating at 9/30/21
 Rating at 5/10/22



Countries in which the fund is authorised for distribution to the public:
 FR IT CH DE NL AU PT ES



The ISR label mentioned above is only valid within the EU.

Portfolio Managers	
Olivier BECKER, Christophe SANCHEZ	
Management company	
ODDO BHF Asset Management SAS	
Key features	
Benchmark Exane ECI Eurozone	
Recommended investment horizon: 2 Years	
Inception date (1st NAV): 8/16/12	
Inception date of the fund: 9/14/00	
Legal structure	FCP
ISIN code	FR0011294586
Bloomberg code	ODDCONB FP
Currency	Euro
Dividend policy	Accumulation unit
Minimum (initial) investment	250000 EUR
Later minimal subscription	1 thousandth of a unit
Management company (by delegation)	-
Custodian	ODDO BHF SCA, France (Paris)
Administration and Accounting	EFA
Subscriptions/redemptions	11:15am D
NAV calculation frequency	Daily
Country of domicile	France
Management fees	Maximum 0.65% of the net assets, inclusive of tax.
Performance fees	N/A
Subscription fees	4 % (maximum)
Redemption fees	Nil
Ongoing charges	0.65 %
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.

Investment strategy

The Fund's objective is to outperform the benchmark index, the Exane ECI Euro Index, over a minimum investment horizon of two years, while taking ESG criteria into account.

Net annual performance (12-months rolling)

	10/31/16	10/31/17	10/31/18	10/31/19	10/30/20
from					
to	10/31/17	10/31/18	10/31/19	10/30/20	10/29/21
Fund	3.7%	-5.8%	2.5%	0.1%	5.3%
Benchmark	4.8%	-5.2%	3.1%	0.7%	6.0%

Calendar performance (from January 01 to December 31)

	2016	2017	2018	2019	2020
Fund	-1.7%	-0.9%	-6.1%	6.7%	4.6%
Benchmark	-1.1%	0.0%	-5.2%	7.6%	6.1%

Cumulative and annualized net returns

	Annualized performance					Cumulative performance				
	3 years	5 years	Inception	1 month	YTD	1 year	3 years	5 years	Inception	
Fund	2.6%	1.1%	2.5%	0.9%	0.3%	5.3%	8.1%	5.6%	26.0%	
Benchmark	3.2%	1.8%	3.1%	0.8%	0.0%	6.0%	10.0%	9.3%	32.6%	

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

Net change in performance since inception (base 100)



Annualized volatility

	1 year	3 years	5 years
Fund	6.1%	5.9%	5.4%
Benchmark	6.3%	6.3%	5.8%

Main portfolio derivatives

Product	Type	Exposure (%)
Call Euro Stoxx Banks (Eux) Mar22 C105	Equity Option	0.8%

Key indicators	Fund	Benchmark
Equity sensitivity	39	40
Modified duration*	2.6	2.8
Average maturity (year)	3.6	3.9

New benchmark index since 02/01/2014. Previous benchmark index : Exane ECI eurozone.

*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®

Sustainalytics provides company-level analysis used in the calculation of Morningstar's Sustainability Score.

(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.

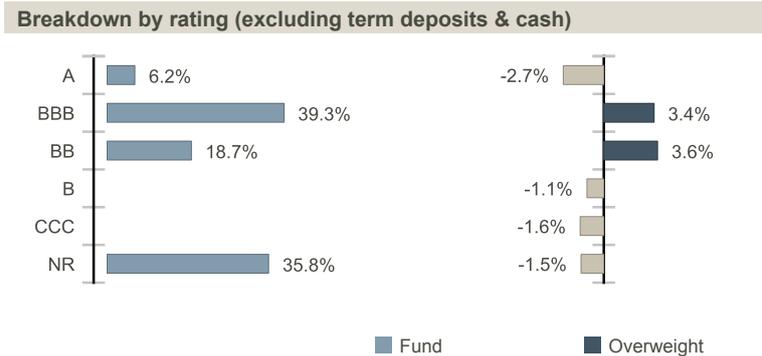
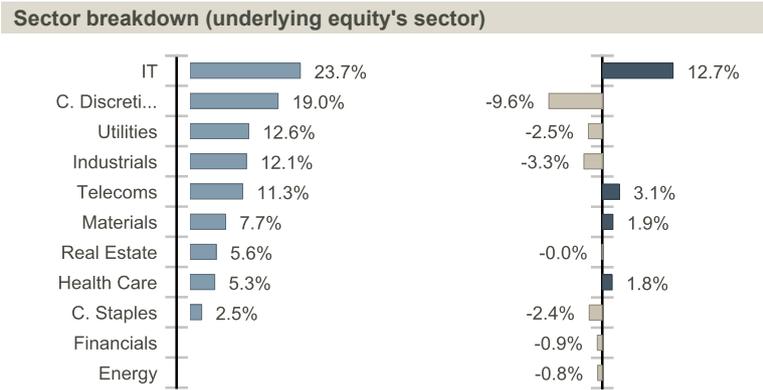
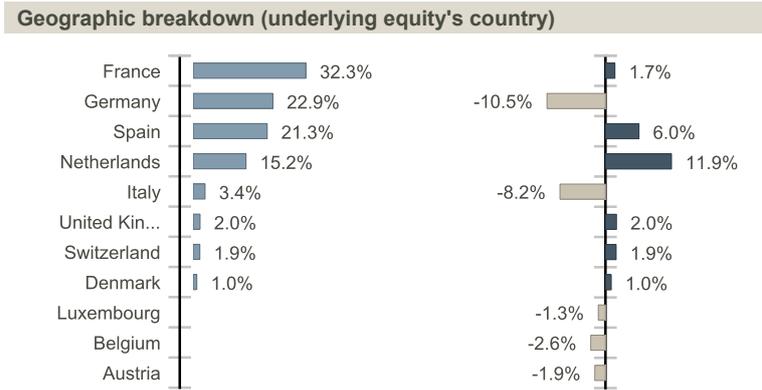
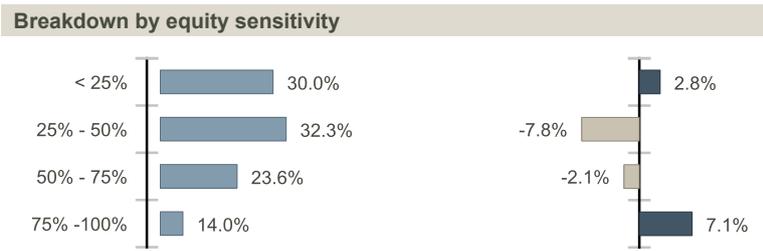


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Risk measurement	3 Years	5 Years
Sharpe ratio	0.55	0.27
Information ratio	-0.47	-0.53
Tracking Error (%)	1.38	1.35
Beta	0.91	0.92
Correlation coefficient (%)	97.66	97.27
Jensen's Alpha (%)	-0.30	-0.53



	Fund	Benchmark
Weighted carbon intensity	178.8	184.2
Coverage ratio	83.8%	92.8%

Source MSCI. We use scopes 1 (direct emissions) and 2 (indirect emissions related to electricity, heat or steam consumption) to calculate the carbon intensity, expressed in tonnes of CO2 equivalent per million euros of revenues. Cash and other derivatives are not covered.

Main portfolio holdings					
	Weight in the fund (%)	Weight in the benchmark (%)	Country	Sector	ESG rank*
Cellnex Telecom Sa 1.50% 01/2026	4.66	1.82	Spain	Telecoms	4
Worldline Sa/France 0.00% 07/2026	3.90	2.09	France	IT	4
Amadeus It Group Sa 1.50% 04/2025	3.79	2.69	Spain	IT	4
Safran Sa 0,00% 04/2028	3.71	1.98	France	Industrials	3
Safran Sa 0.88% 05/2027	3.15	3.51	France	Industrials	3
Rag-Stiftung 0.00% 06/2026	2.99	1.53	Germany	Materials	5
Nexi Spa	2.98	1.52	Italy	IT	4
Stmicroelectronics Nv 0.00% 08/2025	2.96		Netherlands	IT	4
Electricite De France Sa 0.00% 09/2024	2.90	4.47	France	Utilities	3
Deutsche Post Ag 0.05% 06/2025	2.88	3.18	Germany	Industrials	4
Number of holdings	47				
Weight of combined convertible bonds (3):	2.0%				

(3) This refers to Fund Manager's combined purchase of a traditional bond (or even cash) and an equity call option and not a structured product.

* : rebased on the rated part of the fund | In accordance with the update to our ESG integration policy published, the internal ESG rating scale now ranks the investment universe from 1 (High Risk) to 5 (Strong Opportunity) in ascending order.

The ESG approach consists in selecting companies with the best environmental, social and governance policies by favouring the best-rated issuers within an investment universe in terms of non-financial criteria (Best in Universe) and/or issuers showing an improvement in their ESG practices over time (Best Effort).

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



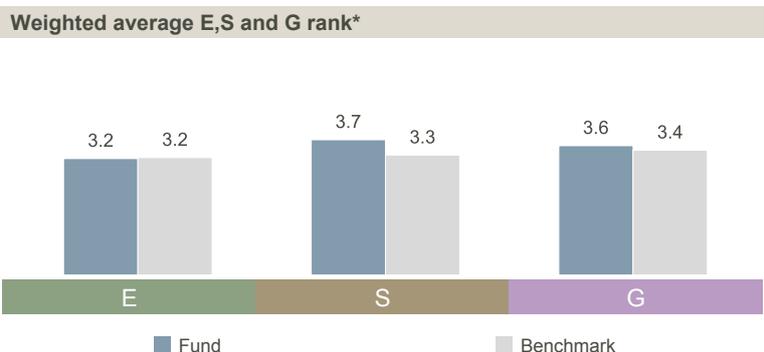
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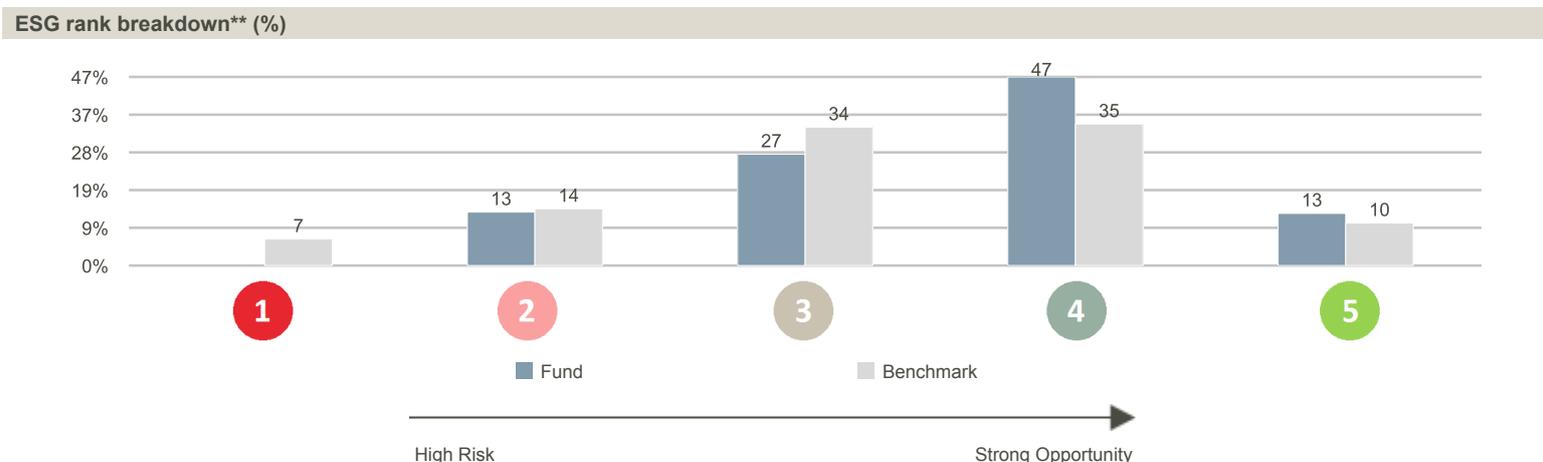
SUSTAINABLE REPORT - OVERVIEW

	Fund		Benchmark	
	October 2021	October 2020	October 2021	October 2020
	ESG rank	3.6	3.4	3.3
ESG coverage**	94.4%	94.8%	92.3%	97.2%



In accordance with the update to our ESG integration policy, the internal ESG rating scale now ranks the investment universe from 1 (High Risk) to 5 (Strong Opportunity) in ascending order.

Benchmark : Exane ECI Eurozone



TOP 5 ESG rank

	Sector	Country	Weight in the fund (%)	ESG rank*
Rag-Stiftung 0.00% 06/2026	Materials	Germany	2.99	5
Nexity Sa 0.25% 03/2025	Real Estate	France	2.04	5
Gn Store Nord A/S 0.00% 05/2024	Health Care	Denmark	1.21	5
Rag Stiftung 0.00% 03/2023	Materials	Germany	0.94	5
Rag-Stiftung 0.00% 10/2024	Materials	Germany	0.94	5
Subtotal top 5	-	-	8.12	-

*ESG rank at the end of the period: In accordance with the update to our ESG integration policy, the internal ESG rating scale now ranks the investment universe from 1 (High Risk) to 5

** : rebased on the rated part of the fund



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SUSTAINABLE REPORT – METHODOLOGY

ODDO BHF AM considers that measuring the environmental, social and governance impact of an investment is an essential step in disseminating good practices in ESG integration. To do this, it is imperative to have reliable, simple quantitative criteria (no reprocessing) and to allow comparison between portfolios regardless of their composition (large vs midcaps, geographical and sectoral diversity). The choice of indicators is therefore crucial for the relevance of impact measurement.

We systematically indicate the availability of the data at the level of the portfolio and its benchmark.

ESG integration at ODDO BHF Asset Management | 3 systematic steps

1. Exclusions

- Norm-based: exclusion of companies that do not comply with certain international standards.
- Sector-based: total or partial exclusion of sectors or activities based on ethical considerations.

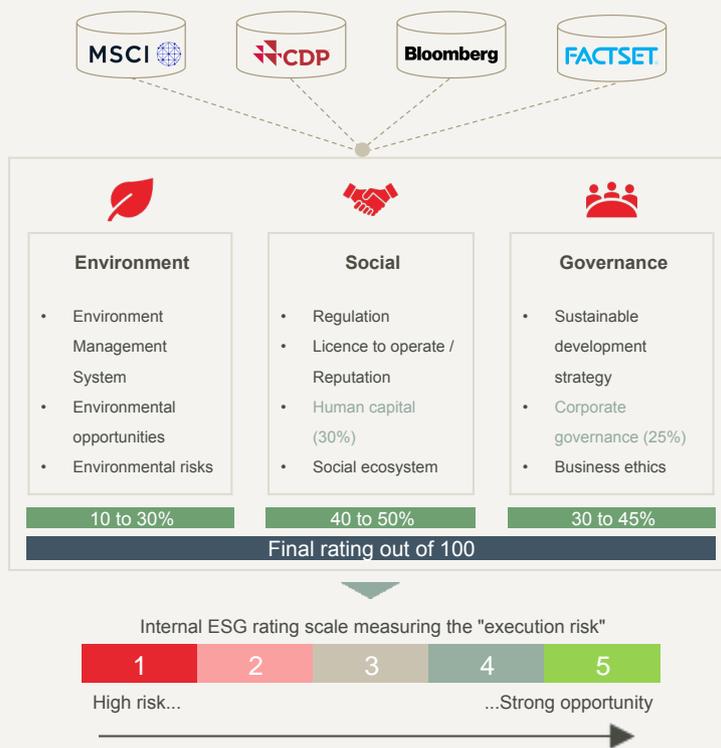
2. ESG ratings

- Internal model based on a « Best-in-Universe » approach: a bottom-up, stock-picking approach that favors top-rated companies in the entire investment universe.

3. Dialogue and engagement

- Systematic dialogue with low-ESG rated issuer (1/5)
- Divestment if no positive result within 18 to 24 months

ESG rating methodology



ODDO BHF Asset Management SAS

Portfolio management company incorporated as a société par actions simplifiée (simplified joint-stock company), with capital of €9,500,000.
 Approved by the AMF under number GP 99011. Trade Register (RCS) 340 902 857 Paris.
 12 boulevard de la Madeleine – 75440 Paris Cedex 09 France – Phone: 33(0)1 44 51 85 00



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Monthly management comment

The publication of macroeconomic indicators in line with expectations, the patience displayed by the main central banks and some signs of moderated inflation have alleviated fears of “stagflation”. A wind of optimism, even pointing to a Goldilocks economy, blew through the markets in October, as Q3 earnings releases ultimately proved reassuring on the whole thanks to strong demand and good pricing power. Although company guidance for 2022 has tended to be rather conservative, the consensus appears to have already been expecting this cautious approach. Against this backdrop, the markets thus continued to rise (+4.6% for the STOXX 600 and +6.9% for the S&P 500) after September’s correction.

US and German 10-year yields were highly volatile this month and rose by 6 bps and 10 bps respectively to reach 1.55% and -0.10%. In the credit markets, the iTraxx Main widened by 1 bp to 51 bps and the XOver by 8 bps to 261 bps.

The convertible bond market achieved positive performance over the month (+0.77% for our benchmark index), just like our fund. The latter benefited from its lack of exposure to Delivery Hero and Global Fashion Group, and from its exposure to STMicroelectronics, BE Semiconductor and Qiagen (off-benchmark plays). Conversely, it was hampered by its exposure to Worldline, IAG and Orpea and its lack of exposure to Diasorin, Prysmian and GEA.

There were no primary market issues this month. On the secondary market, we reduced our exposure to Sika, LEG Immobilien and STM.

Implied volatility remained fairly stable over the month, standing at 32.6% at the end of October, but was still down by more than 3.5 points from the mid-February highs (36.3%). The spread between the implied volatility of convertible bonds and listed options remained at around +3.8 points.

The fund maintains a cautious positioning for the coming weeks, with delta below that of its benchmark.

Risks:

The fund is exposed to the following risks : risk of capital loss, interest rate risk, credit risk, risk associated with discretionary management, risk associated with commitments on forward financial instruments, counterparty risk, liquidity risk of underlying assets, risk associated with high yield bonds, risk associated with convertible bonds, risk associated with holding small and medium capitalisations, volatility risk, Sustainability risk and on an ancillary basis equity risk, currency risk, emerging markets risk

Disclaimer

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