

February 28, 2019

ODDO BHF European Convertibles Moderate


CR-CHF[H] - Chf | CONVERTIBLE BONDS - EUROZONE - EUROZONE

Assets Under Management 112 M€
NAV per Unit 89.00CHF
Evolution vs M-1 0.18CHF

Category Convertible Bond - Other Hedged
Morningstar™

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 DEU NLD AUT PRT ESP BEL

Portfolio Managers

Olivier BECKER, Maxime DUPUIS

Key features

Benchmark: Exane ECI Eurozone

Recommended investment horizon: 2 years

Inception date of the fund: 9/14/00

Initial date of performance: 5/6/15

Legal structure	French FCP
ISIN code	FR0012244184
Bloomberg code	ODCRHH FP
Currency	Swiss Franc
Dividend policy	Accumulation units
Minimum (initial) investment	100 CHF
Subscription fees	4 % (maximum)
Redemption fees	Nil
Management fees	1% TTC maximum Actif net.
Performance fees	N/A
Ongoing charges	1.25%
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

Technical and risk indicators*

	1 year	3 years
Tracking Error	0.82%	1.26%
Sharpe ratio	-0.88	-0.35
Information ratio	-1.39	-1.49

	Fund	Benchmark
Equity sensitivity	28	31
Modified duration	2.5	3.0
Average maturity (year)	3.3	3.5

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.

Annual performance (rolling 12 months)

from			2/29/16	2/28/17	2/28/18
to			2/28/17	2/28/18	2/28/19
Fund			1.9%	-2.3%	-3.8%
Benchmark			5.0%	-0.6%	-2.7%

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

Calendar performance (from january 01 to december 31)

			2016	2017	2018
Fund			-2.7%	-1.7%	-6.6%
Benchmark			-1.1%	0.0%	-5.2%

Performance Analysis

	Annualized performance			Cumulative performance					
	3 years	5 years	Inception	1 month	YTD	1 year	3 years	5 years	Inception
Fund	-1.41%		-3.01%	0.20%	2.32%	-3.80%	-4.16%		-11.00%
Benchmark	0.51%		-1.31%	0.37%	2.63%	-2.70%	1.55%		-4.89%

Change in performance since inception (base 100)



Annualized volatility

	1 year	3 years	5 years
Fund	4.68%	4.49%	
Benchmark	4.47%	4.78%	

*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®

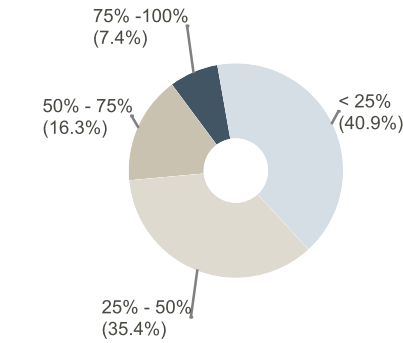
(1) Risk/return scale in a range from 1 (lowest risk) to 7 (highest risk). This indicator is not constant and is updated if the risk/reward profile of the fund changes over time. The lowest category does not mean a risk-free investment. Historical data, such as is used to calculate the risk/return ratio, 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.

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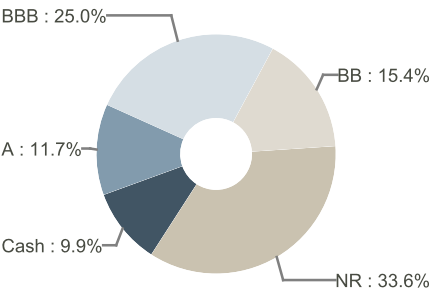


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Breakdown by equity sensitivity



Breakdown by rating (excluding term deposits)

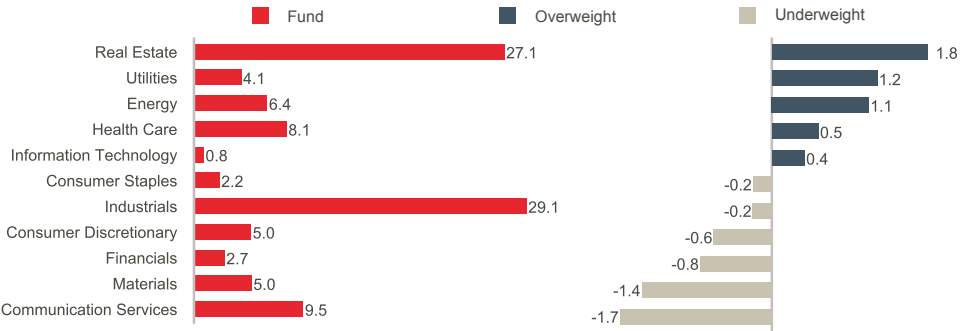


The breakdown takes into consideration the rating of the issuer or the guarantor in the case of unrated issues.

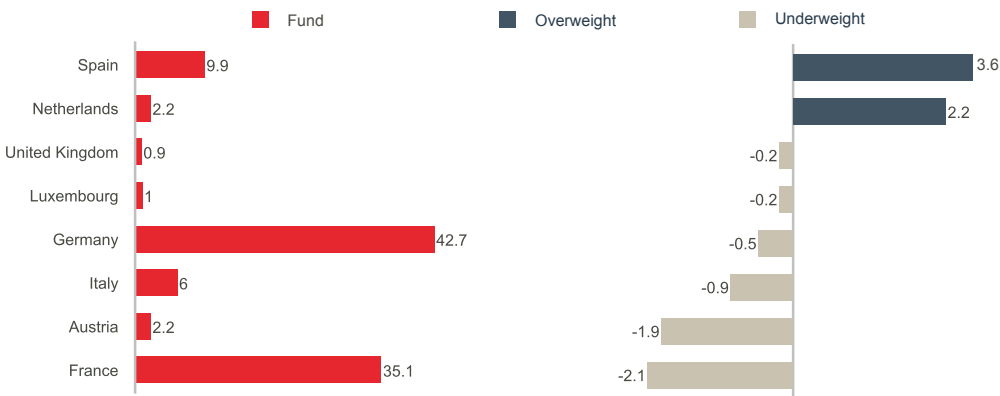
Portfolio manager comment

The equity market continued to recover this month (+3.9% in February and +10.4% YTD for the STOXX 600) while trade between the US and China began to normalise. In terms of macroeconomic data, the US once again published solid employment figures in January. In Germany, Q4 2018 GDP figures confirmed that the country had avoided a technical recession, unlike Italy. In February, the Euro Zone's composite PMI increased for the first time since August 2018 thanks to the services sector's contribution (from 51.2 to 52.3). The manufacturing sector index nevertheless continued to decline. Underlying inflation, meanwhile, remained stable at 1.1%. Against this backdrop, expectations surrounding Euro Zone monetary policy shifted, suggesting that a new round of TLTRO would be announced in the coming months. In terms of credit, the iTraxx Main tightened by 9 bps to 62 bps and the iTraxx Xover by 32 bps to 278 bps. As regards fixed income, core yield curves remained relatively stable. There were no new convertible bond issues during the month. Just like in January, cyclical sectors (construction, chemicals, technology) outperformed defensive sectors (utilities and telecoms in particular). The real estate sector turned in negative performance (after the strong rally noted in January). Finally, the earnings season saw 2018 figures that were broadly in line with expectations, but with cautious earnings guidance issued for 2019. Our fund underperformed slightly over the month, penalised by delta that was below that of the benchmark. It suffered in particular from its underweighting to the chemical (no investments in Symrise), luxury goods (Kering) and beverages (Rémy Cointreau) sectors, but also from its significant underweighting to Telecom Italia and Ingenico. On the other hand, it benefited from a certain number of bets that were absent from the benchmark, such as Michelin, Faurecia and Qiagen. At the same time, the lack of a position in ImmoFinanz and the underweighting to Ubisoft contributed positively to the fund's performance. On the secondary market, we opened a position in Grand City Properties. We also strengthened our lines in Eni and Dassault Aviation. Finally, we trimmed our exposure to Almirall and closed our position in Faurecia. Our fund maintains a cautious positioning for the coming weeks. Convertible bond prices continued to fall, with implied volatility of 29.5%.

Sector breakdown: portfolio vs benchmark (in % of equity sensitivity)(%)



Country breakdown :portfolio vs benchmark (in % of equity sensitivity)(%)



Top 10 bond & convertible holdings

Security name	Weight	Weight**	Sector	Country
Telecom Italia Spa 1.13% 03/2022	6.3%	7.8%	Communication Services	Italy
Deutsche Wohnen Ag 0.33% 07/2024	4.5%	3.5%	Real Estate	Germany
Airbus Se 0.00% 06/2021	4.5%	5.2%	Industrials	France
Iberdrola Intl Bv 0.00% 11/2022	4.1%	2.1%	Utilities	Spain
Safran Sa 0.00% 06/2023	3.6%	3.1%	Industrials	France
Cellnex Telecom Sa 1.50% 01/2026	3.4%	3.3%	Communication Services	Spain
Mtu Aero Engines Holding Ag 0.13% 05/2023	3.2%	3.2%	Industrials	Germany
Leg Immobilien Ag 0.88% 09/2025	3.2%	1.8%	Real Estate	Germany
Deutsche Wohnen Se 0.60% 01/2026	3.0%	3.4%	Real Estate	Germany
Deutsche Post Ag 0.05% 06/2025	2.7%	3.9%	Industrials	Germany

Number of holdings	50	* Fund	** Benchmark
Weight of combined convertible bonds (3):	0.0%		
(3) This refers to ODDO BHF AM 's combined purchase of a traditional bond (or even cash) and an equity call option and not a structured product..			

Main portfolio derivatives

Product	Type	Exposure (%)
Put Euro Stoxx 50 (Eux) Apr19 P3050	Equity Option	-0.4%

The fund is exposed to the following risks : risk of capital loss, risk associated with holding small and medium capitalisations, interest rate risk, risk associated with convertible bonds, credit risk, risk associated with discretionary management, risk associated with high yield bonds, counterparty risk, liquidity risk of underlying assets, volatility risk, risk associated with commitments on forward financial instruments, to a limited extent, residual currency risk of 3%, emerging markets risk, equity risk.

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ODDO BHF Asset Management SAS

Portfolio management company incorporated as a société par actions simplifiée (simplified joint -stock company), with capital of €7,500,000. 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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