

June 28, 2019

# ODDO BHF European Convertibles



CI-EUR - Eur | CONVERTIBLE BONDS - EUROPE

Assets Under Management 123 M€  
NAV per Unit 137.58€  
Evolution vs M-1 1.61€

Category Convertible Bond - Europe  
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 ESP

## Portfolio Managers

Olivier BECKER, Maxime DUPUIS, Christophe SANCHEZ

## Key features

Benchmark: Exane ECI Eurozone

Recommended investment horizon: 3 Years

Inception date of the fund: 4/12/06

Initial date of performance: 4/12/06

Legal structure	French FCP
ISIN code	FR0010301473
Bloomberg code	CYLCVSB FP
Currency	Euro
Dividend policy	Accumulation units
Minimum (initial) investment	250000 EUR
Subscription fees	4 % (maximum)
Redemption fees	Nil
Management fees	Maximum 1% of the net assets, inclusive of tax.
Performance fees	N/A
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.

## Technical and risk indicators\*

	3 years	5 years
Tracking Error	1.44%	1.64%
Sharpe ratio	0.17	-0.03
Information ratio	-0.52	-0.59

	Fund	Benchmark
Equity sensitivity	31	28
Modified duration	2.8	3.0
Average maturity (year)	3.7	3.7

## Investment strategy

The Fund's objective is to outperform the benchmark index, the Exane ECI Euro Index, over a minimum investment horizon of three years.

## Annual performance (rolling 12 months)

from	6/30/14	6/30/15	6/30/16	6/30/17	6/29/18
to	6/30/15	6/30/16	6/30/17	6/29/18	6/28/19
Fund	4.8%	-7.2%	5.0%	-2.5%	-1.5%
Benchmark	4.5%	-4.4%	5.9%	-2.6%	0.0%

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	2.2%	4.1%	-1.5%	-0.6%	-7.1%
Benchmark	2.0%	5.1%	-1.1%	0.0%	-5.2%

## Performance Analysis

	Annualized performance			Cumulative performance					
	3 years	5 years	10 years	1 month	YTD	1 year	3 years	5 years	10 years
Fund	0.28%	-0.38%	3.14%	1.18%	5.10%	-1.48%	0.84%	-1.90%	36.19%
Benchmark	1.04%	0.59%	3.69%	0.92%	5.09%	0.02%	3.14%	2.98%	43.65%

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



## Annualized volatility

	1 year	3 years	5 years
Fund	4.60%	5.06%	5.86%
Benchmark	4.03%	4.56%	5.60%

\*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®

New benchmark index since 31/01/2014. Before 31/01/2014 : Exane ECI Eurozone. Yields are given for information purposes only and do not represent any yield guarantee. Rates are gross of fees, excluding any case of default.

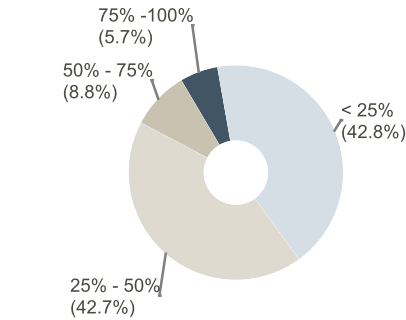
(1) Risk/return scale in a range from 1 (lowest risk) to 7 (highest risk). This indicator is not constant and is updated if the risk/reward profile of the fund changes over time. The lowest category does not mean a risk-free investment. Historical data, such as is used to calculate the risk/return ratio,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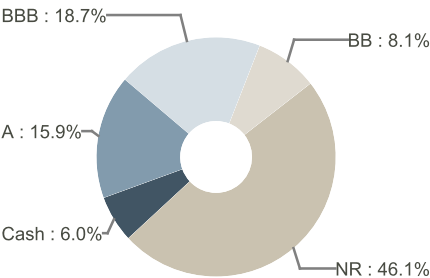
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Breakdown by equity sensitivity



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.

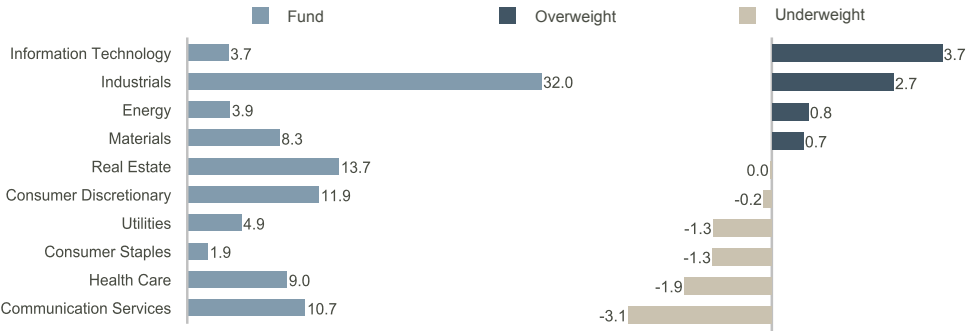
Portfolio manager comment

Despite a backdrop of persistent economic uncertainty, the equity markets rallied in June (+4.3%/+14% YTD for the STOXX 600 and +6.9%/+17.4% YTD for the S&P 500), boosted by both hopes of a lull in the trade war between the United States and China, and above all by the dovish tone adopted by central banks on both sides of the Atlantic. In terms of bonds, this context led to a drop of 12 bps in the US 10-year yield (2.0%) and 13 bps in the German 10-year yield (-0.331%), which it reached on 25 June. On the credit side, the iTraxx Main tightened by 19 bps to 52.5 bps and the X-Over by 55 bps to 255 bps. The convertible bond market ended the month in the black (+0.92% for our benchmark), as did our fund. The fund slightly outperformed its benchmark because of its higher delta, and was also boosted by its exposure to several positions that were not part of the benchmark (ST Microelectronics, Sika, Michelin, LVMH, Total, Soitec, Glencore) as well as its overweight on the aerospace sector (MTU, Safran). Conversely, it was hampered by not having exposure to Takeaway, by its exposure to Genfit and by its underweight on Telecom Italia and Technip. June was another busy month on the primary market, with six issues (EUR 1.62 billion). We participated in the Cellnex 2028 issue (EUR 850 million), on the basis of our fundamental conviction in this company, which was already in the portfolio (Cellnex 2026). However, we steered clear of Petropavlovsk (issuer rated CCC), DT Industrie (illiquid issue), Geely/Volvo (poor issuer transparency), and Derwent and PHP (both 100% exposed to UK real estate) because of the need to choose securities extremely selectively in the prevailing market environment. On the secondary market, we added to our positions in LVMH, Grand City Properties, Adidas, Glencore, Deutsche Post and Orpea. We also continued to replace part of our Airbus 2022 position with options because of the convertible bond's exceptionally high price. Lastly, we reduced our exposure to Tag Immobilien and closed our positions in Aurelius and Leg 2021 (after it was removed from the benchmark). Our fund maintains a dynamic positioning, with delta above that of the benchmark. Convertible bond prices continued to fall this month, with implied volatility of 28.1% at end-June (down 0.7 points since end-May).

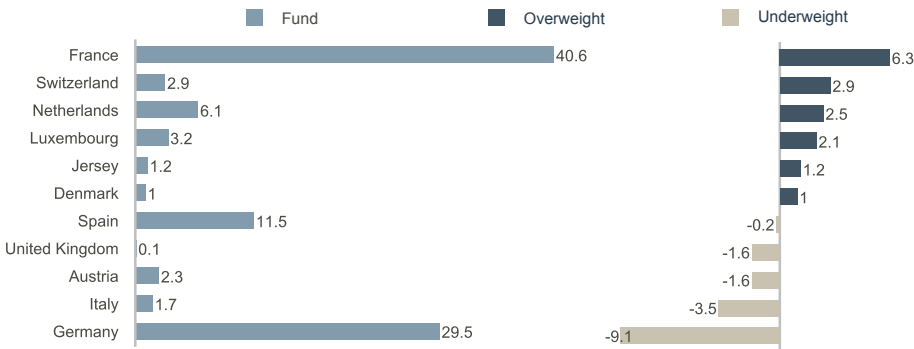
The fund is exposed to the following risks : risk of capital loss, interest rate risk, credit risk, risk associated with discretionary management, risk associated with commitments on forward financial instruments, counterparty risk, liquidity risk of underlying assets, risk associated with high yield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

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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
Deutsche Wohnen Ag 0.33% 07/2024	4.5%	3.5%	Real Estate	Germany
Safran Sa 0.00% 06/2023	4.2%	3.3%	Industrials	France
Telecom Italia Spa 1.13% 03/2022	4.2%	8.3%	Communication Services	Italy
Mtu Aero Engines Holding Ag 0.13% 05/2023	4.1%	3.6%	Industrials	Germany
Cellnex Telecom Sa 1.50% 01/2026	3.9%	4.0%	Communication Services	Spain
Airbus Se 0.00% 06/2021	3.7%	2.8%	Industrials	France
Leg Immobilien Ag 0.88% 09/2025	3.6%	1.9%	Real Estate	Germany
Iberdrola Intl Bv 0.00% 11/2022	3.4%	2.4%	Utilities	Spain
Bayer Ag 0.05% 06/2020	3.2%	4.2%	Materials	Germany
Sika Ag 0.15% 06/2025	2.6%		Materials	Switzerland

Number of holdings	53	* Fund	** Benchmark
Weight of combined convertible bonds (3):	6.2%		
(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 (%)
Call Airbus Group Nv (Fp) March20 C140	Equity Option	0.6%
Call Airbus Group Nv (Fp) December20 C140	Equity Option	0.5%
Call Deutsche Post* (Gr) Dec21 C32	Equity Option	0.2%

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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