

# **ODDO BHF EURO SHORT TERM BOND**

**French Common Fund (FCP)**  
**12, boulevard de la Madeleine 75009 Paris**

## **PROSPECTUS**

# ODDO BHF EURO SHORT TERM BOND

## PROSPECTUS

### GENERAL CHARACTERISTICS

#### LEGAL STRUCTURE:

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| <b>Name</b>  | ODDO BHF EURO SHORT TERM BOND (hereinafter the “Fund”)   |
| <b>Legal form and Member State in which the Fund was established</b> | French Common Fund (FCP)   |
| <b>Inception date and intended lifetime</b>                          | This Fund was approved by the <i>Autorité des marchés financiers</i> (French Financial Markets Authority) (hereinafter the “AMF”) on 1 February 2002. It was created on 25 February 2002 for a period of 99 years. |

#### FUND OVERVIEW:

| Unit classes | ISIN code    | Base currency | Appropriation of distributable income | Minimum initial investment | Minimum subsequent investment | Target investors   |
|--------------|--------------|---------------|---------------------------------------|----------------------------|-------------------------------|--|
| CR-EUR       | FR0007067673 | EUR           | Accumulation                          | 1 unit                     | 1 thousandth of a unit        | All subscribers, and particularly natural persons.   |
| CI-EUR       | FR0013336393 | EUR           | Accumulation                          | EUR 250.000*               | 1 thousandth of a unit        | Units only accessible to eligible counterparties and professional investors per se according to Directive 2014/65/EU (or “MiFID II”).  |
| CN-EUR       | FR0013279940 | EUR           | Accumulation                          | 1 unit                     | 1 thousandth of a unit        | CN-EUR units are only available following a decision by the Management Company and yield no right to collect fees. The units are reserved for (i) investors subscribing through an intermediary providing independent investment advice in accordance with Directive 2014/65/EU (MiFID II); (ii) investors subscribing through a financial intermediary on the basis of a commission agreement concluded between the investor and the intermediary stating that the intermediary is remunerated exclusively by the investor; (iii) companies providing portfolio |

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|  |  |  |  |  |  | management services to third parties in accordance with MiFID II; (iv) UCIs managed by ODDO BHF Group companies; and (v) ODDO BHF SCA, providing investment advisory services on the basis of a written commission agreement concluded with the investor. |
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\* With the exception of the Management Company, companies in the Management Company's group and UCIs and mandates managed by the Management Company, from which no minimum subscription is required.

#### INFORMATION FOR UNITHOLDERS:

##### Address at which the latest annual and semi-annual reports are available:

The latest annual and semi-annual reports shall be sent to unitholders within eight business days upon written request to:

**Company** ODDO BHF ASSET MANAGEMENT SAS  
**Address** 12, Bd de la Madeleine – 75009 Paris  
**Email** [information\\_oam@oddo-bhf.com](mailto:information_oam@oddo-bhf.com)

These documents are also available:

**On the website** <http://am.oddo-bhf.com>  
**By contacting** Customer Services  
**By telephoning** 01 44 51 80 28

Any further information required can be obtained from the Customer Services Department, Tel.: 01 44 51 80 28.

#### DIRECTORY:

**Management Company** ODDO BHF ASSET MANAGEMENT SAS,  
a *société par actions simplifiée* (simplified joint stock company)  
(hereinafter the “**Management Company**”)  
Portfolio Management Company approved by the AMF (number GP 99011)  
12, Bd de la Madeleine – 75009 Paris

**Custodian, Depository, Establishment in charge of liabilities management delegated by the Management Company** ODDO BHF SCA,  
a *société en commandite par actions* (general partnership limited by shares)  
(hereinafter the “**Custodian**”)  
Bank approved by the French Prudential Control and Resolution Authority  
12, Bd de la Madeleine – 75440 Paris cedex 09

ODDO BHF SCA acts as custodian for the Fund.

The Custodian carries out the following duties, as defined in the applicable regulations: holding the portfolio assets in safekeeping, overseeing the Management Company's decisions and monitoring the Fund's cash flow.

By virtue of delegation by the Management Company, the Custodian is also responsible for the management of Fund liabilities, which includes centralising subscription and redemption orders for Fund units, as well as keeping an account of Fund units issued.

In certain countries, the Custodian delegates its safekeeping activities. A description of the safekeeping activities delegated, the list of delegates and sub-delegatees of ODDO BHF SCA and information on the conflicts of interest liable to result from such delegation are available on the ODDO BHF Asset Management SAS website: <http://am.oddo-bhf.com>. Investors may also request up-to-date information on this from ODDO BHF Asset Management SAS.

As an entity, the Custodian is independent of the Management Company.

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| <b>Administration and Accounting delegated to</b>  | EUROPEAN FUND ADMINISTRATION FRANCE S.A.S (EFA FRANCE)<br>17, rue de la Banque, 75002 Paris   |
|  | The role of EFA is to calculate the net asset value of the Fund and provide other services listed in the agreement. Any conflicts of interest arising as a result of this delegation will be handled in accordance with the policy for managing conflicts of interest, available on the Management Company's website: <a href="http://am.oddo-bhf.com">http://am.oddo-bhf.com</a> . |
| <b>Statutory auditor</b>   | MAZARS<br>61 rue Henri REGNAULT 92075 Paris - La Défense Cedex<br>Represented by Mr Gilles Dunand-Roux  |
| <b>Promoter</b>  | ODDO BHF Asset Management SAS, a <i>société par actions simplifiée</i> (simplified joint stock company)<br>Portfolio Management Company approved by the AMF (number GP99011)<br>12 boulevard de la Madeleine - 75009 Paris  |
|  | The list of promoters is not exhaustive mainly due to the fact that the Fund is listed on Euroclear. Thus, some promoters may not be mandated by or known to the Management Company.  |
| <b>Adviser</b>   | None  |
| <b>Agent for receiving subscription and redemption orders as delegated by the Management Company</b> | ODDO BHF SCA,<br>a <i>société en commandite par actions</i> (general partnership limited by shares)<br>Bank approved by the French Prudential Control and Resolution Authority<br>12, Bd de la Madeleine – 75009 Paris  |
| <b>Other agent for receiving subscription and redemption orders</b>                                  | CACEIS BANK, Luxembourg Branch (PRIOR TO CENTRALISING)<br>5, ALLÉE SCHEFFER<br>L-2520 LUXEMBOURG  |

## OPERATING AND MANAGEMENT PROCEDURES

### I. GENERAL CHARACTERISTICS OF THE UNITS:

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| <b>Rights attached to the units</b>              | The rights of the Fund's co-owners are represented by units, with each unit corresponding to the same fraction of the Fund's assets. Each unitholder has a co-ownership right in the assets of the Fund proportional to the number of units they hold.<br>The distributable income consists of:<br>1° The net income for the financial year plus retained earnings, plus or minus the balance of the income equalisation accounts for the last financial year.<br>2° The realised capital gains, net of fees, minus realised capital losses, net of fees, recorded during previous financial years and that have not been distributed or accumulated, plus or minus the balance of the capital gains equalisation accounts.<br>The categories of income referenced in points 1° and 2° respectively may be distributed, in full or in part, independently of each other. |
| <b>Inclusion in a register<br/>Voting rights</b> | The Management Company delegates the management of liabilities to the Custodian.<br>No voting rights are attributed to the ownership of units. Decisions concerning the Fund are taken by the Management Company. The voting rights attached to the securities held by the Fund are exercised by the Management Company, which has the sole power to take decisions, pursuant to regulations in force. The Management Company's voting policy may be consulted at its registered office or online at <a href="http://am.oddo-bhf.com">http://am.oddo-bhf.com</a> in accordance with article 314-100 of the AMF General Regulation. Unitholders can obtain a report of the Management Company's voting activities from the Management Company.  |
| <b>Form of units</b>                             | Listed on Euroclear France.<br>Units are issued in bearer form. They cannot be issued in or converted into registered form.  |

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| <b>Fractions of units</b> | Subscriptions and redemptions in thousandths of units  |
| <b>Financial year-end</b> | Last stock market trading day in December.   |
| <b>Tax regime</b>         | As of 1 July 2014, the Fund shall be governed by the provisions of appendix II, point II. B. of the Agreement (IGA) signed on 14 November 2013 between the government of the French Republic and the government of the United States of America so as to improve compliance with tax obligations at an international level and implement the act governing compliance with these obligations for foreign accounts (FATCA). |

This prospectus does not purport to set out the tax implications for investors of subscribing, redeeming, holding or selling the Fund's units. These implications will vary, depending on the laws and practices that apply in the country of residence, domicile or incorporation of the unitholders and on their personal situations.

Abroad, in the countries where the Fund invests, capital gains on the sale of securities and income from foreign sources received by the Fund may be subject to tax, generally in the form of withholding tax. The amount of withholding tax due may be reduced or waived when the governments in question have signed tax treaties.

Depending on your tax status, your country of residence or the jurisdiction from which you invest in the Fund, any capital gains and income resulting from the holding of units of the Fund may be subject to taxation. We advise you to consult a tax advisor in relation to the potential consequences of purchasing, holding, selling or redeeming units of the Fund according to the laws of your country of tax residence, ordinary residence or domicile.

Neither the Management Company nor the Promoters shall accept any responsibility whatsoever for the tax consequences that may arise for investors following a decision to purchase, hold, sell or redeem units of the Fund.

## II. SPECIFIC PROVISIONS:

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|-----------------------------|---|
| <b>Classification</b>       | "Bonds and other debt securities denominated in euro"   |
| <b>Fund of Funds</b>        | Less than 10% of the Fund's net assets  |
| <b>Investment objective</b> | The Fund's investment objective is to outperform its benchmark index, the €STR OIS + 0,585 % over an 18-month period while limiting volatility. |
| <b>Benchmark index</b>      | The Fund's benchmark index is the l'€STR OIS + 0,085 %.<br>The reference administrator of the €STR OIS index is the European Central Bank.      |

The €STR capitalized is an index corresponding to an average of interest rates weighted by the volume of transactions carried out in the euro money market. This index is calculated daily by the ECB by aggregating information from 52 banks in 10 European countries.

Further information on the benchmark is available on the EMMI website (<https://www.emmi-benchmarks.eu/>).

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| <b>Investment strategy</b> | The investment strategy is discretionary and is based both on a credit analysis of issuers whose main registered office is located in an OECD member country, and a top-down approach reflecting macroeconomic convictions. |
|----------------------------|---|

In this context, the Fund will be exposed to fixed income markets with authorised ex-post volatility limited to a maximum of 1.50% over 52 weeks and authorised ex-ante volatility limited to a maximum of 2% through: (i) a bond portfolio and (ii) positions on fixed income markets through derivatives.

The Fund will be invested in fixed income instruments denominated mainly in euro (bonds, transferable debt securities, repurchase agreements) as well as deposits and money market funds. Most of these securities will have a maturity of less than three years.

The Fund may invest up to 10% of its net assets in fixed income instruments denominated in foreign currencies on an ancillary basis. The Fund may trade in financial futures and/or forward

exchange contracts in order to hedge the portfolio against currency risks, subject to a residual currency risk of maximum 1% of the net assets.

Securities in the portfolio may come from any public sector or private issues without any sector allocation and shall be rated investment grade, as defined by the main ratings agencies S&P, Moody's and Fitch, or equivalent, or using the Management Company's internal rating.

The Fund may hold up to 10% of its net assets in high yield securities. In the event of this ratio being breached due to the securities being downgraded, the Fund shall sell the downgraded securities taking into consideration the interests of unitholders and market conditions.

The Management Company does not use the ratings issued by ratings agencies automatically or in isolation, as it also applies its own internal analysis. In the event of a downgrade, the Management Company will take the interests of unitholders, market conditions and its own analysis of these fixed income products into account when respecting rating limits.

The Fund will be managed within a modified duration range of (-3) and (+5).

Total exposure to all markets (money and bond) will be limited to 130% of the net assets through derivatives.

The investment universe of the Fund is made up of the companies included in the following credit market indices: Bloomberg Euro-Aggregate: Treasury - 1-3 Year Index; Bloomberg Euro-Aggregate: Corporate - 1-3 Year Index; Bloomberg Euro-Aggregate: Treasury - 3-5 Year Index; Bloomberg Euro-Aggregate: Corporate - 3-5 Year Index; ICE BofA Euro Non-Financial Fixed & Floating Rate High Yield Index.

ESG (Environment, Social and Governance) criteria are a complement to the credit analysis. The management team takes ESG (environmental, social and governance) criteria into account in its investment decisions but they are not the dominant factor, so the investment decisions taken may not be consistent with ESG criteria.

The approach is based on two successive stages.

- First stage: exclusion of companies in the sectors of unconventional weapons (chemical weapons, anti-personnel mines and cluster bombs, blinding laser weapons, incendiary weapons and non-detectable fragments weapons, nuclear weapons manufactured by a company incorporated in a country that does not form part of the Nuclear Non-Proliferation Treaty (NPT)), coal mining, coal-fired power generation, coal development projects or infrastructure, tobacco and production of adult entertainment. Details relating to the Management Company's Exclusion Policy containing further details on ESG integration and exclusion thresholds can be found at "am.oddo-bhf.com".

- Second stage: It consists in assigning an ESG rating to a large majority of companies in the investment universe by combining two approaches:

1) "best-in-universe": the Investment Manager's management team favors the highest-rated issuers regardless of size and sector of activity;

2) "best effort": the Investment Manager's management team promotes progress over time with issuers, through direct dialogue with them.

In the context of the Investment Manager's rating process, the following criteria are notably analyzed:

- Environment: climate risk management, energy consumption, water consumption, waste management, environmental certifications, environmental value added products and services...

- Social: human capital (human resources management, diversity of management teams, employee training, health and safety...), management of suppliers, innovation ...

- Governance: corporate governance (preservation of the interests of the minority shareholder, composition of governance bodies, remuneration policy), tax responsibility, exposure to corruption risks...

Particular attention is paid to the analysis of human capital and corporate governance, which represent 30% and 25% respectively of the rating of each company, regardless of its size and sector of activity. Indeed, our conviction is that poor management of human capital or weak corporate governance pose a major risk in the execution of a company's strategy and therefore on its valuation.

The analysis of controversies (industrial accidents, pollution, convictions for corruption, anti-competitive practices, product safety, supply chain management, etc.) based on the elements provided by our external provider of extra-financial data, is integrated into the rating process and directly influences the ESG rating of each company.

This internal ESG analysis process results in an internal rating scale which is divided into five ranks (5 being the best and 1 the worst): Strong ESG opportunity (5), ESG opportunity (4), Neutral ESG (3), Moderate ESG Risk (2) and High ESG Risk (1).

For stocks not monitored by the Investment Manager's internal model, the Investment Manager relies on extra-financial data provided by an external service provider.

The ESG internal team will analyze the issuers selected by the Investment Manager's management team, consequently, at least 90% of the net assets of the Fund are subject to an internal ESG rating.

This extra-financial scoring system impacts the overall portfolio structure and is used to ensure a certain overall ESG quality level of the portfolio. In particular, the weighted average ESG rating of the portfolio shall be above of the weighted average ESG rating of the investment universe pursuant to our internal scoring. The allocation of the indices within the investment universe of the Fund and their respective percentage can vary from time to time and will depend on the Sub-Fund's assets composition. The management team may invest in debt securities from outside the investment universe provided that the investment universe defined by the management team is a relevant comparison element for the ESG rating of the portfolio.

The Fund may also invest up to 10% of its net assets in securities of issuers with their registered office in a non-OECD member country (emerging countries). These securities will be corporate issues with no sector allocation. They may be rated investment grade and/or high yield by the main rating agencies S&P, Moody's and Fitch, or equivalent using the Management Company's internal rating.

Up to 10% of the Fund may be invested in the units or shares of investment funds.

The Fund may invest in all forward financial instruments traded on regulated markets – organised or over-the-counter – in France and/or other countries, for the purpose of exposure to and/or hedging against interest rate risk and hedging the portfolio against credit and currency risk.

The Fund may use deposits to generate a return on cash.

For cash management and income optimisation purposes, the Fund may place up to 100% of its net assets in reverse repurchase agreements and 60% of its net assets in repurchase agreements and securities lending transactions, as well as invest in cash borrowing transactions (up to 10%) and deposits (up to 20%).

No leverage is sought by means of these transactions and securities received under repurchase agreements are not temporarily transferred. A proportion of the remuneration received from these transactions is paid to the Fund.

The Fund is a financial product that promotes environmental and social factors as defined in Article 8 (1) of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR"), the ESG (Environmental and/or Social and/or Governance) policy of which is presented below. However, the Fund does not have sustainable investment as its objective as defined by Article (9) of the SFDR. As such, the Fund is subject to sustainability risk as defined below.

The European Union Taxonomy (Regulation (EU) 2020/852) aims to identify economic activities that are considered environmentally sustainable.

The Taxonomy identifies these activities according to their contribution to six broad environmental objectives:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy (waste, prevention and recycling);
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

To be considered sustainable, an economic activity must demonstrate that it makes a substantial contribution to the achievement of one or more of the six objectives, while not harming any of the other objectives (the so-called DNSH principle, "Do No Significant Harm").

For an activity to be considered aligned with the Taxonomy, it must also respect human and social rights guaranteed under international law (the minimum social safeguards).

In anticipation of data that will be provided by companies covered by the Taxonomy in future, the Management Company undertakes to invest 0% of ODDO BHF Euro Short Term Bond in activities aligned.

The Management Company expects that the percentage of these investments increases as data availability increases.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

#### **1 - Assets used (excluding derivatives):**

- **Equities:** None
- **Debt securities (bonds, transferable debt securities), money market funds, derivatives, repurchase agreements and deposits involving these assets within the limit of 130% of the Fund's net assets:**

#### **Composition of assets**

Directly held debt securities will be fixed or floating rate bonds (excluding convertible bonds) or transferable debt securities denominated mainly in euro from any public sector or private issues without any sector allocation. The securities selected shall be rated investment grade, as defined by the main ratings agencies Standard & Poor's, Moody's or Fitch, or equivalent, or using the Management Company's internal rating. The Fund may invest up to 10% of its net assets in fixed income instruments denominated in foreign currencies on an ancillary basis. Securities denominated in foreign currency are systematically hedged against currency risk. However, a residual currency risk amounting to less than 1% of the net assets may remain.

The Fund may invest up to 10% of its net assets in high yield securities. In the event of this ratio being breached due to the securities being downgraded, the Fund shall sell the downgraded securities taking into consideration the interests of unitholders and market conditions.

The Fund may also invest up to 10% of its net assets in securities of issuers with their registered office in a non-OECD member country (emerging countries). These securities will be corporate issues with no sector allocation. They may be rated investment grade and/or high yield by the main rating agencies S&P, Moody's and Fitch, or equivalent, or using the Management Company's internal rating.

The Management Company does not use the ratings issued by ratings agencies automatically or in isolation, as it also applies its own internal analysis. In the event of a downgrade, the Management Company will take the interests of unitholders, market conditions and its own analysis of these fixed income products into account when respecting rating limits.

| <b>Geographical Zone of OECD and non-OECD issuers</b>                                       | <b>Investment levels</b> |
|---|--------------------------|
| Greater Europe (Euro Zone, Jersey, Eastern European Countries, United Kingdom, Switzerland) | 0 – 100%                 |
| Euro Zone   | 0 – 100%                 |
| North America   | 0 – 100%                 |
| Pacific Zone  | 0 – 30%                  |
| Asia Zone   | 0 – 20%                  |
| Latin America Zone  | 0 – 10%                  |

The Fund will be managed within a modified duration range of (-3) and (+5).

▪ **Units and shares of investment funds: between 0 and 10% of the Fund's net assets:**

Up to 10% of the Fund may be invested in units or shares:

- French or foreign UCITS that cannot invest more than 10% of their assets in units or shares of other UCITS, AIFs or investment funds,
- of French AIFs or AIFs from other EU Member States;
- of investment funds established under foreign law.

The units or shares of these AIFs and investment funds must meet the four criteria under article R214-13 of the French Monetary and Financial Code, namely: (i) that they are subject to regulations equivalent to those applicable to UCITS and that there is cooperation between the AMF and the regulatory body of the AIF; (ii) that the level of protection granted to shareholders is equivalent to that of UCITS; (iii) that they issue semi-annual and annual reports explaining their activities; and (iv) that they must not themselves invest over 10% of their assets in units or shares of other UCITS, AIFs or foreign investment funds.

These funds may be managed by ODDO BHF Asset Management SAS and/or ODDO BHF Asset Management GmbH or ODDO BHF Asset Management Lux. The investment strategies of these funds will be compatible with that of the Fund.

**2- Financial futures and options:**

Within the limit of 100% of its net assets, the Fund may expose itself to or hedge against any risks arising from its (fixed income) investments through positions in futures, options and/or swaps, on interest rate underlyings. Credit risk may be hedged using credit default swaps (up to 30% of the net assets).

The Fund may also hedge against the portfolio's currency risk through positions in forward exchange contracts and forward financial instruments (futures, options, currency swaps).

Investments in derivatives may take place on French or foreign regulated or organised or OTC markets.

The Fund will not use Total Return Swaps

**3 - Securities with embedded derivatives:**

The Fund may also hold subscription certificates on an ancillary basis. These instruments shall be held without seeking overexposure, up to the limit of 10% of the Fund's net assets.

**4 - Deposits:**

Up to 20% of the Fund's net assets may be deposited to generate a return on cash.

**5 - Cash borrowing:**

As part of normal operations, the Fund may borrow the equivalent of up to 10% of its net assets in cash in order to cover a temporary delay between incoming and outgoing funds relating to purchases and sales of securities issued on the market, or to cover redemptions;

#### **6 - Temporary purchases and sales of securities:**

The Fund may, for cash management purposes, investment of the guarantees obtained in the context of securities lending or to maximise Fund income, use:

- repurchase and reverse repurchase agreements,
- securities lending.

Any temporary sales or purchases of securities shall be conducted under market conditions and up to a maximum of 100% of the Fund's net assets for reverse repurchase agreements and up to 60% for repurchase agreements and securities lending transactions.

These operations shall be performed on the equities, debt securities and money market instruments referred to in the "Assets (excluding embedded derivatives)" section.

The targeted proportion of AUM used for reverse repurchase agreements is 5%.

The target proportion of AUM to be used for repurchase agreements and securities lending is 15%.

Within the scope of these transactions, the Fund may receive or issue financial guarantees (collateral). Their operation and characteristics are presented under "Collateral management".

Temporary purchases of securities may be carried out with ODDO BHF SCA or with EU or United Kingdom banks that have a minimum credit rating of A-.

Additional information can be found under the heading "Fees and expenses".

For further information, please refer to the Fund's annual report.

#### **7 - Collateral management:**

Within the scope of OTC financial derivatives transactions and temporary purchases and sales of securities, the Fund may receive or issue financial assets as guarantees.

The purpose of receiving financial guarantees is to reduce the Fund's exposure to counterparty default risk. They will consist solely of cash.

As an exception to the above, and only in the case of reverse repurchase operations, the Fund will receive traditional fixed income securities rated at least A- and/or securities issued by governments with a rating of at least AA- as collateral. In any case, the issue of the security received as collateral must be larger than EUR 100 million and the Fund's participation will be limited to 10%.

Transactions potentially requiring the use of financial guarantees shall be carried out with a European Union or United Kingdom credit institution that may belong to the ODDO BHF group.

Any financial guarantees (collateral) received shall also, in accordance with regulations, comply with the following:

- liquidity, valuation (at least daily and assets which do not offer high volatility unless adequate discounts can be obtained), issuer creditworthiness, correlation (independence vis-à-vis the counterparty) and diversification (with a maximum exposure to a given issuer of 20% of net assets) criteria;
- it shall be held by the Custodian of the Fund or any third party, in a segregated account, subject to prudential supervision and which has no connection with the provider of the financial guarantees;
- financial guarantees received must be available for full execution by the Fund at any time without consulting the counterparty or the counterparty's consent;

- financial guarantees received as cash shall only be placed as deposits with eligible institutions or invested in top-tier government bonds or used in reverse repurchase transactions (provided that such transactions are concluded with credit institutions subject to prudential supervision and on the condition that the Fund is in a position to recall the total cash amount at any time, accounting for accrued interest) or invested in short-term money market UCIs;
- the financial guarantees shall not be reused.

## Risk profile

Your money will be invested in financial instruments selected by the Management Company. These instruments are subject to the market's movements and fluctuations.

The risks identified by the Management Company and presented below are not exhaustive. Investors are responsible for forming their own opinion independently from that of the Management Company, assessing the risk of any investments they make, with the assistance of a financial investment adviser where applicable, and for ensuring that the investment envisaged is suited to their financial situation and ability to assume financial risks.

In accordance with the provisions of Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR), the management team takes sustainability risks into account by integrating ESG (Environmental and/or Social and/or Governance) criteria into its investment decision-making process, as set out in the "Investment Strategy" section. This process also makes it possible to assess the management team's ability to manage the adverse sustainability impacts of their investment decisions. However, the level of transparency relating to adverse sustainability impacts varies widely. Not all the issuers within the portfolio will make available information on adverse sustainability impacts. For more details on the consideration of adverse impacts on sustainability factors, you can consult the policy published on the Management Company's website at "am.oddo-bhf.com". The Management Company also takes ESG criteria into account through its own ESG exclusion policy. The Management Company is a signatory to the United Nations Principles for Responsible Investment (PRI) and the CDP (formerly known as the Carbon Disclosure Project). Finally, the Management Company exercises the voting rights when shares are held by the Fund. Information relating to the Management Company's policies is available from am.oddo-bhf.com.

Please refer to the Key Information Document for information on the risk category to which this Fund belongs. Your money will mainly be invested in financial instruments selected by the Management Company. These instruments are subject to the market's movements and fluctuations.

In particular, the Fund will be exposed to the following risks:

### **Risk of capital loss:**

The Fund is not guaranteed or protected; investors may not get back their initial investment in full.

### **Risk associated with the discretionary management of the Fund:**

This risk is linked to the investment style, which is based on expectations regarding the performance of the various markets. There is a risk that the Fund may not be invested in the best-performing markets or securities at all times. The Fund's performance therefore depends on the manager's ability to anticipate movements in the markets or in individual securities. This risk may result in a fall in the net asset value and/or a capital loss for the investor.

### **Interest rate risk:**

This corresponds to the risk linked to a rise in bond market interest rates, which causes bond prices and therefore the net asset value of the Fund to fall.

### **Counterparty risk:**

This is the risk of a counterparty's collapse, causing it to default on payment. The Fund may be exposed to the counterparty risk caused by the use of forward financial instruments contracted over-the-counter with credit institutions or contracts for the temporary purchase or sale of securities. The Fund is therefore exposed to the risk that one of these credit institutions may not be able to honour its commitments in connection with such instruments. Certain

contracts exposing the Fund to counterparty risk may be concluded with a company belonging to the ODDO BHF group.

**Credit risk:**

This is the risk of a potential downgrading of an issuer's credit rating, or in an extreme case its default, which would have a negative impact on the price of the debt securities issued and therefore on the net asset value of the Fund. This could result in a capital loss. Credit risk varies according to expectations, bond maturities and the level of confidence in each issuer. This may restrict the liquidity of the securities of a particular issuer and have a negative impact on the net asset value of the Fund, especially if the Fund liquidates its positions in a market where transaction volumes are low.

**Risk associated with commitments on forward financial instruments and with overexposure:**

The Fund can, in addition to assets held in its portfolio, use derivatives in order to generate overexposure, thereby increasing its maximum exposure to 130% of its net assets, i.e. leverage of 1.3. The risk therefore relates to a fall in the net asset value of the Fund if market developments are adverse. In the event of unfavourable changes in the strategies used, the net asset value may fall more significantly than the markets to which the Fund is exposed. This leverage has the effect of amplifying expected gains, but also heightens the risk of losses.

**Liquidity risk of underlying assets:**

Weak liquidity on a market makes it sensitive to significant purchase/sale transaction volumes. This increases the volatility of the Fund, the assets of which are traded or listed on this market, and may impact the valuation of these assets and, where applicable, the prices at which the Fund may be obliged to liquidate its positions. The lack of liquidity is particularly associated with certain geographic (emerging countries) characteristics and with certain classes of securities in which the Fund may invest, such as speculative bonds (high yield securities). In such cases, the net asset value of the Fund may therefore fall sharply.

**Sustainability risk:** refers to an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by this Fund.

The negative effects of sustainability risks can affect issuers through, notably: 1) a fall in income; 2) higher costs; 3) damages or a depreciation in asset value; 4) higher capital cost; and 5) fines or regulatory risks. Owing to the nature of sustainability risks and specific subjects such as climate change, the probability of these sustainability risks having an impact on financial products' returns is likely to increase in the longer term.

**Environment:**

- sector risks associated with the environmental footprint of the business;
- physical and transition risks associated with climate change;
- materiality of environmental controversies; and management of related conflicts of interest;
- dependency of the business on natural capital;
- risks associated to the business' activities, products and services which may impact on the environment.

**Social:**

- sector risks associated with health and safety
- environmental and social risks in the supply chain;
- management of the social climate and development of human capital;
- management of quality and risks associated with consumers' safety;
- management and materiality of social/society-related controversies;
- management of the innovation capabilities and intangible assets;

**Governance:**

- quality and transparency of the financial and non-financial communication;
- sector risks associated with bribery and cybersecurity;
- quality of the supervisory corporate bodies
- quality and sustainability of the corporate governance framework;
- management of corporate-governance related conflicts of interest;
- regulatory risks;

-integration into and management of sustainability within the business' strategy.

The Fund will be exposed to the following risks on an ancillary basis:

**Risk associated with high yield bonds:**

The Fund must be viewed as partly speculative and as intended in particular for investors aware of the risks inherent in investments in securities with a low rating, or none at all, and restricted liquidity. The use of high yield securities may therefore expose the Fund to the risk of a sharper decline in the net asset value.

**Emerging markets risk:**

This risk is linked to the operating and monitoring conditions on emerging markets to which the Fund is exposed, which may deviate from the standards that exist on the large international markets and may be affected by various disruptions (such as changes in taxation or political stability, or a temporary lack of liquidity on these securities). These disruptions may trigger settlement/delivery problems likely to have an impact on the prices at which the Fund may be obliged to liquidate its positions, which may then result in a sharp fall in the Fund's net asset value.

**Risks associated with securities financing transactions and collateral management:**

Investors may be exposed to legal risk (arising from the legal documentation, the application of agreements and the limits imposed by them) and to the risk associated with the reuse of securities received as collateral, given that the net asset value of the FCP may vary depending on fluctuations in the value of the securities acquired through investment in cash received as collateral. In exceptional market conditions, investors may also be exposed to liquidity risk, making it difficult, for example, to trade certain securities.

**Currency risk:**

This risk is linked to portfolios invested fully or partially in securities denominated in currencies other than the Fund's reference currency and corresponds to the variation in the exchange rate between these currencies and the Fund's reference currency. As such, the value of a security may be affected by a change in the value of its reference currency against the euro, even though its value in its base currency may not change, thereby causing the net asset value of the Fund to fall.

The Fund will be systematically hedged against currency risk. However, a residual risk amounting to less than 1% of the net assets may remain.

**Guarantee or protection**

None

## **INVESTORS AND UNITS**

**Target investors**

The units have not been and will not be registered under the 1933 US Securities Act (hereinafter "**the Act of 1933**"), or under any law applicable in a US State, and the units may not be directly or indirectly assigned, offered or sold in the United States of America (including its territories and possessions) for the benefit of any US persons (hereinafter "**US Persons**"), as defined by US "Regulation S" under the Act of 1933 adopted by the Securities and Exchange Commission or SEC, except if (i) the units are registered or (ii) an exemption is applicable (with the prior consent of the Fund Management Company's CEO). The Fund is not, and shall not, be registered under the US Investment Company Act of 1940. Any resale or assigning of units in the United States of America or to a "US Person" may constitute a violation of US law and require the prior written consent of the Fund Management Company's CEO. Persons wishing to purchase or subscribe units shall be required to certify in writing that they are not "US Persons".

All unitholders must immediately inform the Fund if they become a "US Person". Any unitholder that becomes a US Person shall no longer be authorised to purchase new units and may be requested to dispose of their units at any time for the benefit of persons who do not have "US Person" status.

The term "US Person" has the same meaning in the Prospectus as the definition given in SEC Regulation S (Part 230 - 17 CFR 230.903). This definition of a "US Person" is available at <http://www.sec.gov/about/laws/secrulesregs.htm>.

In accordance with the provisions of the Foreign Account Tax Compliance Act (“FATCA”), applicable as of 1 July 2014, if the Fund directly or indirectly invests in US assets, the income from these investments may be subject to 30% withholding tax. To avoid the payment of this 30% withholding tax, France and the United States have concluded an intergovernmental agreement whereby non-US financial institutions (“foreign financial institutions”) undertake to set up a procedure to identify direct or indirect investors with US taxpayer status and transmit certain information about these investors to the French tax authorities, which will communicate it to the US tax authorities (“Internal Revenue Service”).

In its capacity as a foreign financial institution, the Fund undertakes to comply with FATCA and to take any measures required by the aforementioned intergovernmental agreement.

Except for these restrictions, the Fund is open to all investors, while bearing the following in mind:

- CR-EUR units are primarily aimed at retail investors.
- CI-EUR units are reserved for eligible counterparties and professional investors as per MiFID II. All subscribers, and particularly institutional investors.
- CN-EUR units are only available following a decision by the Management Company and yield no right to collect fees. These units are reserved for (i) investors subscribing through an intermediary providing independent investment advice in accordance with Directive 2014/65/EU (MiFID II); (ii) investors subscribing through a financial intermediary on the basis of a commission agreement concluded between the investor and the intermediary stating that the intermediary is remunerated exclusively by the investor; (iii) companies providing portfolio management services to third parties in accordance with MiFID II; (iv) UCIs managed by ODDO BHF Group companies; and (v) ODDO BHF SCA, providing investment advisory services on the basis of a written commission agreement concluded with the investor.

The Fund is intended for investors seeking exposure mainly to bonds denominated in euro and who are able to bear any losses connected with this exposure.

The amount that is appropriate to invest in the Fund depends on your personal situation. To determine this amount, investors should consider their personal wealth, their current financial needs and those in at least 18 months, as well as their willingness to accept risks or their preference for a more prudent investment.

It is also highly recommended that investors sufficiently diversify their investments so as not to be exposed solely to the risks of this Fund.

**Typical investor profile**

**Recommended investment horizon**

The recommended minimum investment period is more than 18 months.

**Allocation of distributable income (income and capital gains)**

|  |  |
|--|--|
| Distributable income                               | Accumulation units:<br>CR-EUR, CI-EUR and CN-EUR |
| Net income allocation                              | Accumulation                                     |
| Allocation of net realised capital gains or losses | Accumulation                                     |

CR-EUR, CI-EUR and CN-EUR units: Accumulation

**Base currency**

CR-EUR, CI-EUR and CN-EUR units: Euro

**Form of units**

Bearer

**Fractions of units**

One thousandth of a unit

**Subscription and redemption procedures**

**Terms and conditions of subscriptions and redemptions**

Subscription and redemption requests are centralised by the Custodian every net asset value calculation day until 11:15 (Paris time, CET/CEST) and executed on the basis of the net asset value of the same day. The resulting settlements shall be carried out on second the trading day following the NAV date.

|  |   |
|--|---|
| <b>Initial value of the unit</b>   | CR-EUR and CN-EUR units: EUR 100<br>CI-EUR units : EUR 1.000  |
| <b>Minimum initial investment</b>  | CR-EUR units: 1 unit<br>CI-EUR units: EUR 250.000, <i>with the exception of the Management Company, companies in the Management Company's group and UCIs and mandates managed by the Management Company, from which no minimum subscription is required.</i><br>CN-EUR units: 1 unit  |
| <b>Minimum subsequent investment</b>   | CR-EUR units: 1 thousandth of a unit<br>CI-EUR units: 1 thousandth of a unit<br>CN-EUR units: 1 thousandth of a unit  |
| <b>Centralisation agent for subscription and redemption requests delegated by the Management Company</b> | ODDO BHF SCA<br>12, Bd de la Madeleine – 75009 Paris<br><br>The Fund's promoters must send subscription and/or redemption orders to the Centralising Agent no later than the centralisation cut-off time. Any order received by the Centralising Agent after this time will be executed at the following net asset value.<br><br>Promoters may apply their own cut-off time, which may be earlier than the cut-off time mentioned above, in order to take into account the time required to transmit orders to the centralising agent. It is the investor's responsibility to obtain information on the time at which his order has been received by the promoter for processing. |
| <b>Date and frequency of calculation of net asset value</b>  | The net asset value is calculated daily, according to the Euronext Paris calendar, with the exception of public holidays on the French Stock Exchange.  |
| <b>Place and methods of publication or communication of net asset value</b>                              | This information can be obtained from the Management Company (ODDO BHF Asset Management SAS) and the Custodian (ODDO BHF SCA) at 12, Bd de la Madeleine, 75009 Paris, and from the website <a href="http://am.oddo-bhf.com">http://am.oddo-bhf.com</a> .  |
| <b>Notification of portfolio structure</b>   | The Management Company may, upon request, notify professional investors subject to the obligations resulting from Directive 2009/138/EC (the Solvency II Directive) of the structure of the Fund's portfolio at the earliest 48 hours from the last publication of the net asset value. The information provided shall be treated with the utmost confidentiality and shall only be used for the calculation of prudential requirements. This information cannot, under any circumstances, be used for illegal activities such as market timing or late trading by unitholders in possession of such information.   |

## INFORMATION ON FEES, EXPENSES AND TAXATION

|   |  |
|---|--|
| <b>Subscription and redemption fees</b> | Subscription fees increase the subscription price paid by the investor, while redemption fees decrease the redemption price. The fees charged by the Fund serve to offset the costs incurred by the Fund to invest and disinvest investors' monies. Fees not paid to the Fund are paid to the Management Company, the Promoter, etc. |
|---|--|

| Fees payable by the investor on subscriptions and redemptions | Basis                             | Rate<br>Units: CR-EUR, CI-EUR and CN-EUR |
|---|-----------------------------------|--|
| Subscription fee not payable to the Fund <sup>(1)</sup>       | Net asset value × number of units | 4%                                       |
| Subscription fee payable to the Fund                          | Net asset value × number of units | None                                     |
| Redemption fee not payable to the Fund                        | Net asset value × number of units | None                                     |
| Redemption fee payable to the Fund                            | Net asset value × number of units | None                                     |

(1) any redemption and subscription orders for the same investor executed on the same valuation day and relating to the same number of units shall not incur a subscription fee.

| Fees charged to the Fund  | Basis  | Rate<br>CR-EUR, CI-EUR and CN-EUR units  |
|---|--|--|
| Financial management fees and administrative fees not payable to the Management Company | Net assets, excluding shares in SICAVs and units of Funds held in the portfolio, recognised directly on the Fund's income statement. | CR-EUR units: 0.40% inclusive of tax<br>Part CI-EUR : 0,20% TTC inclusive of tax<br>CN-EUR units: 0.25% inclusive of tax   |
| Performance fees (*)  | Net assets   | CR-EUR and CN-EUR units: Up to 15%, inclusive of tax, of the Fund's outperformance relative to the €STER OIS +0,585%, once past underperformance over the previous five years has been offset, and provided that the absolute return is positive.<br><br>CI-EUR : Up to 15%, inclusive of tax, of the Fund's outperformance relative to the €STR OIS + 0,585% once past underperformance over the previous five years has been offset. |
| Transaction fees charged by stakeholders: Management Company (100%)                     | Payable on each transaction  | CR-EUR, CI-EUR and CN-EUR units:<br>Equities: 0.15%<br>Bonds: flat fee, depending on maturity, up to a maximum of EUR 50 per EUR 1 million.<br>Derivatives: variable, depending on the amount invoiced by the broker   |

**(\*) Performance fee:**

will be deducted for the benefit of the Management Company in the following manner:

- The performance fee is based on a comparison between the performance of the fund and that of the benchmark index, and includes a method for clawing back past underperformance.
- The Fund's performance is determined on the basis of its book value after taking into account fixed management fees and before deduction of the performance fee.
- Outperformance is calculated on the basis of the "indexed asset" method, which is used to simulate a fictitious asset experiencing the same subscription and redemption conditions as the Fund, while enjoying the same performance as the benchmark index. This indexed asset is then compared with the Fund's assets. The difference between the two is the Fund's outperformance relative to the benchmark index.
- Whenever the NAV is calculated, provided that the Fund's performance exceeds that of the benchmark index, a performance fee provision is booked. In the event that the Fund underperforms its benchmark index between two net asset values, any previously accumulated provision shall be reduced accordingly. The amounts deducted from the provision cannot exceed the amount previously accumulated. The performance fee is calculated and provisioned separately for each Fund unit.
- The benchmark index will be calculated in the unit currency, regardless of the currency in which the relevant unit is denominated, except in the case of units hedged against currency risk, for which the benchmark index will be calculated in the Fund's reference currency.
- The performance fee is measured over a calculation period that corresponds to the Fund's financial year (the "Calculation Period"). Each Calculation Period starts on the last business day of the Fund's financial year, and ends on the last business day of the next financial year. For units launched during a Calculation Period, the first Calculation Period will last at least 12 months and end on the last business day of the next financial year. The total performance fee is payable to the Management Company annually after the Calculation Period has ended.
- In the event of redemptions, if a performance fee provision has been booked, then the proportion of the provision attributable to these redemptions is crystallised and definitively allocated to the Management Company.
- The horizon over which performance is measured is a rolling period of up to five years ("Performance Reference Period"). The clawback mechanism may be partially reset at the end of this period. This means that after five years of cumulative underperformance over the Performance Reference Period, underperformance may be partially reset on a rolling annual basis, wiping out the first year of underperformance during the Performance Reference Period concerned. In relation to the Performance Reference Period concerned, underperformance in the first year may be offset by outperformance in the following years of the Performance Reference Period.
- Over a given Performance Reference Period, any past underperformance must be clawed back before performance fees become payable again.
- Where a performance fee is crystallised at the end of a Calculation Period (except when due to redemptions), a new Performance Reference Period begins.

- For CR-EUR and CN-EUR units: no performance fee is payable if the absolute performance of the unit is negative. The absolute performance is defined as the difference between the current net asset value and the last net asset value calculated at the end of the previous Calculation Period (Reference Net Asset Value).
- For CI-EUR units, unitholders are informed that, subject to the condition of outperformance, performance fees may be paid to the Management Company even in the event of negative absolute performance.

**Example of the operation of the performance fees applied to CI-EUR units:**

| Year | UCI Net Asset Value (base 100 at the beginning of year 1) | Annual Performance UCI | Annual performance of the benchmark | Annual Relative Performance | Under Performance to be offset in the following year | Payment of a Performance Fee | Comment  |
|------|---|------------------------|-------------------------------------|-----------------------------|--|------------------------------|--|
| 1    | 105.00  | 5.0%                   | -1.0%                               | 6.0%                        | 0.0%   | YES                          | Annual outperformance  |
| 2    | 91.30   | -13.1%                 | -5.1%                               | -8.0%                       | -8.0%  | NO                           | Annual underperformance  |
| 3    | 97.75   | 7.1%                   | 1.1%                                | 6.0%                        | -2.0%  | NO                           | The underperformance of year 2 is only partially compensated in year 3 |
| 4    | 96.46   | -1.3%                  | -6.3%                               | 5.0%                        | 0.0%   | YES                          | The underperformance of year 2 is fully compensated in year 4          |
| 5    | 109.23  | 13.2%                  | 11.2%                               | 2.0%                        | 0.0%   | YES                          | Annual outperformance  |
| 6    | 112.52  | 3.0%                   | 1.0%                                | 2.0%                        | 0.0%   | YES                          | Annual outperformance  |

**Example of the operation of the performance fees applied to CR-EUR and CN-EUR units:**

| Year | UCI Net Asset Value (base 100 at the beginning of year 1) | Annual Performance UCI | Annual performance of the benchmark | Annual Relative Performance | Under Performance to be offset in the | Payment of a Performance Fee | Comment |
|------|---|------------------------|-------------------------------------|-----------------------------|---------------------------------------|------------------------------|---------|
|------|---|------------------------|-------------------------------------|-----------------------------|---------------------------------------|------------------------------|---------|

|   |        |        |       |       | following year |     |   |
|---|--------|--------|-------|-------|----------------|-----|---|
| 1 | 105.00 | 5.0%   | -1.0% | 6.0%  | 0.0%           | YES | Annual outperformance AND positive absolute performance over the year   |
| 2 | 91.30  | -13.1% | -5.1% | -8.0% | -8.0%          | NO  | Annual underperformance   |
| 3 | 97.75  | 7.1%   | 1.1%  | 6.0%  | -2.0%          | NO  | The underperformance of year 2 is only partially compensated in year 3  |
| 4 | 96.46  | -1.3%  | -6.3% | 5.0%  | 0.0%           | NO  | The underperformance of year 2 is totally compensated in year 4 but the absolute performance is negative for the year |
| 5 | 109.23 | 13.2%  | 11.2% | 2.0%  | 0.0%           | YES | Annual outperformance AND positive absolute performance over the year   |
| 6 | 112.52 | 3.0%   | 1.0%  | 2.0%  | 0.0%           | YES | Annual outperformance AND positive absolute performance over the year   |

A detailed description of the method used to calculate the performance fee may be obtained from the Management Company.

Methods of calculating and sharing the return on temporary purchases and sales of securities:

In the case of temporary sales of securities (securities lending and repurchase agreements), the remuneration received from these operations, net of fees, is repaid to the Fund in full. Fees, which may represent 40% of the gross margin, are transferred to the counterparty. No other direct costs are charged to the Fund. The Management Company does not receive any remuneration for these transactions. The Fund's sole counterparty is ODDO BHF SCA, which acts as principal agent.

In the event of temporary purchases of securities (reverse repurchase agreements), the Fund shall select counterparties according to the best selection and best execution policies as defined by the Management Company and receives the entire payment resulting from these operations. No other direct fee shall be charged to the Fund. The Management Company shall not receive any payment resulting from these operations.

For the purpose of these operations, the service provider of the Fund is a credit institution whose registered office is located in a Member State of the European Union or in the United Kingdom. The service provider will act independently of the Fund and serve systematically as counterparty to market transactions. The service provider may be part of the ODDO BHF Group.

For further information, please refer to the Fund's annual report.

All of these charges are quoted inclusive of tax.

For further information, please refer to the Fund's annual report.

Procedure for the selection of intermediaries:

Intermediaries and counterparties are selected by management staff using a competitive tendering procedure from a predefined list. This list is drawn up using precise selection criteria laid down in the market intermediary selection policy which may be consulted on the Management Company's website.

Investment research funding:

The Fund shall bear the fees related to investment research in equities through a commission allocated to market intermediaries conducting the aforementioned research.

The Management Company decided to bear the fees related to investment research in debt securities. For this purpose, the Management Company exclusively resorts to its own funds.

## COMMERCIAL INFORMATION

**Subscription and redemption of units** Subscription and redemption procedures are presented in the section “Subscription and redemption procedures”.

**Information relating to the Fund is provided by:**

**Company** ODDO BHF Asset Management SAS  
**Address** 12, Bd de la Madeleine 75009 Paris  
**Email** [information\\_oam@oddo-bhf.com](mailto:information_oam@oddo-bhf.com)

Information is also available on the website <http://am.oddo-bhf.com> or from the Client Services Department, tel.: 01 44 51 80 28. The AMF website [www.amf-france.org](http://www.amf-france.org) provides additional information on the list of regulatory documents and all provisions relating to investor protection.

**Publication date of the prospectus** 01/01/2023

## INVESTMENT RULES

The legal investment rules applicable to the Fund are those that govern UCITS investing no more than 10% of their assets in other investment funds, as well as those applicable to the AMF classification “bonds and other debt securities denominated in euro” UCITS.

## GLOBAL RISK

The overall risk is calculated using the absolute Value at Risk method with a confidence level of 99% and a horizon of 20 days. The expected leverage is 2, but it may be higher under certain market conditions.

## ASSET VALUATION AND ACCOUNTING RULES

**Asset valuation rules:**

The calculation of the net asset value per unit is subject to the following valuation rules:

1 - Financial instruments and transferable securities traded on regulated markets are valued at their market price using the following principles:

- The valuation is based on the last official market price.

The market price used depends on the market on which the instrument is listed:

|                                   |  |
|-----------------------------------|--|
| European markets:                 | Last market price on the net asset value calculation day |
| Asian markets:                    | Last market price on the net asset value calculation day |
| North and South American markets: | Last market price on the net asset value calculation day |

The prices used are those obtained from financial information providers and available on the following day at 09:00 (Paris time): Fininfo or Bloomberg. In the event that no price is available for a security, the last known price is used.

Negotiable debt securities and similar securities that are not the subject of significant transactions are valued using an actuarial method, with the rate used being compounded :

- A risk-free rate obtained by linear interpolation of the OIS curve discounted on a daily basis ;
- A credit spread obtained at issue and kept constant throughout the life of the security.

However, negotiable debt securities with a residual maturity of less than or equal to three months will be valued using the straight-line method.

- Financial contracts (futures, options or swap transactions concluded on over-the-counter markets) are valued at their market value or at a value estimated according to the terms and conditions determined by the Management Company.

The method for valuing off-balance sheet commitments consists in valuing futures contracts at their market price and in converting options into the equivalent value of the underlying.

- Financial guarantees: in order to limit counterparty risk as much as possible while also factoring in operational constraints, the Management Company applies a daily margin call system, per fund and per counterparty, with an activation threshold set at a maximum of EUR 100,000 based on an evaluation of the mark-to-market price.
- Deposits are recorded based on their nominal value plus the interest calculated daily using the €STR + 0,085 %..

The prices used for the valuation of futures or options are consistent with those of the underlying securities. They may vary depending on where they are listed:

|                                   |   |
|-----------------------------------|---|
| European markets:                 | Settlement price on the NAV calculation day, if different from the last price.  |
| Asian markets:                    | Last market price on the NAV calculation day, if different from the last price. |
| North and South American markets: | Last market price on the NAV calculation day, if different from the last price. |

In the event that no price is available for a future or option contract, the last known price is used.

- Securities subject to a temporary acquisition or sale agreement are valued in accordance with the regulations in force. Securities received under repurchase agreements are recorded on their acquisition date under the heading "Receivables on securities received under a repurchase agreement (*pension*)" at the value fixed in the contract by the counterparty of the liquidity account concerned. For as long as they are held they are recognised at that value plus the accrued interest from the securities in custody.
- Securities transferred under repurchase agreements are withdrawn from their account on the date of the transaction and the corresponding receivable is booked under the heading "Securities transferred under a repurchase agreement (*pension*)"; they are valued at their market value. The debt represented by securities transferred under repurchase agreements is recorded under the heading "Payables on securities transferred under a repurchase agreement (*pension*)" by the counterparty of the liquidity account concerned. It is maintained at the value determined in the contract plus any accrued interest on the debt.
- Other instruments: Units or shares of UCITS are valued at their last known net asset value.
- Financial instruments whose prices have not been determined on the valuation day or whose prices have been adjusted are valued under the Management Company's responsibility at their foreseeable sale prices. These valuations and their justification are communicated to the Statutory Auditor at the time of the audit.

#### **Accounting methods:**

**Income accounting:** The interest on bonds and debt securities is calculated using the accrued interest method.

**Transaction cost accounting:** Transactions are recorded excluding fees.

## **REMUNERATION**

The management body in charge of the Management Company is responsible for drawing up, approving and monitoring the remuneration policy. It must ensure that the remuneration policy encourages employees to take risks in line with the risks taken by the funds managed by the Management Company, the investors having placed their assets in these funds and the Management Company itself. Each year, the Management Company shall identify those persons who may be qualified as risk takers in accordance with the regulations in force. The list of employees thus identified as risk takers shall then be submitted to the Remuneration Committee and passed on to the relevant management body. With regard to the variable remuneration component, the Management Company has set a significant threshold triggering payment of a deferred variable remuneration amount. In this way, an employee designated as being a risk taker and entitled to significant variable remuneration will receive a portion of this variable remuneration on a deferred basis. This deferred remuneration shall consist of 40% of the entire variable remuneration amount, from the first euro. Provisions relating to the deferred part of variable remuneration shall be calculated using a tool created by the Management Company. This tool consists of a basket of funds that represent each of the Management Company's management strategies, and each fund is weighted in proportion to the assets under management of the Management Company within each of its strategies. Detailed information on the remuneration policy is available on the Management Company's website (<http://am.oddo-bhf.com>). Investors may also request a hard copy of this information from the Management Company.

## INFORMATION FOR INVESTORS IN GERMANY

ODDO BHF Asset Management GmbH, Herzogstraße 15, 40217 Düsseldorf acts as German information agent for the Fund in the Federal Republic of Germany (the “German Information Agent”).

Applications for the redemptions and conversion of units may be sent to ODDO BHF SCA, 12, Bd de la Madeleine – 75009 Paris (hereinafter the “Depository”).

All payments to investors, including redemption proceeds and potential distributions may, upon request, be paid through the Depository.

The prospectus the Key Investor Information Documents, the Regulations and the annual and semi-annual reports, each in paper form, as well as the issue and redemption prices of the units registered in Germany are available and may be obtained free of charge from the German Information Agent.

The issue and redemption prices of the units will be published on [www.fundinfo.com](http://www.fundinfo.com).

Any notices to German unitholders will be published on [www.am.oddo-bhf.com](http://www.am.oddo-bhf.com) and may also be obtained free of charge from the German Information Agent. Moreover, registered investors will be notified by way of durable media, and notices to German unitholders will be published on [www.fundinfo.com](http://www.fundinfo.com), in the following instances: suspension of the redemption of units; liquidation of the Fund; changes to the Regulations that are inconsistent with the existing investment principles, affect significant investor rights, or relate to remuneration or compensation of expenses (stating the background and the investors' rights), the merger of the Fund or the possible conversion of the Fund into a feeder fund.

Special risks resulting from tax publication requirements in Germany:

The Management Company must provide documentation to the German fiscal authorities upon request in order for such authorities to, e.g. verify the accuracy of the published tax information. The basis on which such figures are calculated is subject to interpretation and it cannot be guaranteed that the German fiscal authorities will accept or agree with the Management Company's calculation methodology in every material aspect. In addition, investors should be aware that, if it transpires that the published tax information is incorrect, any subsequent correction will, as a general rule, not have retrospective effect, but will only take effect during the current financial year. Consequently, the correction may positively or negatively affect the investors who receive a distribution or an attribution of deemed income distributions in the current financial year.

## ADDITIONAL INFORMATION FOR INVESTORS IN AUSTRIA

The management company has notified the Austrian Financial Market Authority ("FMA") of its intention to market shares of ODDO BHF Active Small Cap (the "Fund") in Austria according to Sec 140 of the Austrian Investment Fund Act and is entitled to publicly market the shares of the Fund in Austria since completion of the notification procedure.

### Facility in Austria

Facility in Austria according to EU directive 2019/1160 article 92:  
Erste Bank der oesterreichischen Sparkassen AG  
Am Belvedere 1,  
A-1100 Vienna/Austria  
E-Mail: [foreignfunds0540@erstebank.at](mailto:foreignfunds0540@erstebank.at)

### Tax situation in Austria

The Fund is a foreign investment fund in the meaning of Sec 188 of the Austrian Investment Fund Act. The shares of the Fund may be offered for public marketing in Austria and the dividend equivalent amounts are being calculated and provided by Erste Bank Oesterreichischen Sparkassen AG as Austrian tax representative appointed vis-à-vis the Austrian tax authorities pursuant to Sec 186 (2) (2) of the Austrian Investment Fund Act.

### Private investors

Distributions and dividend equivalent amounts of the Fund are subject to Austrian income tax. Insofar as an effective distribution does not take place, the total income from the investment of capital in the meaning of Sec 27 (2) of the Austrian Income Tax Act (dividends, interest) plus 60% of the positive difference from the income pursuant to Sec 27 (3) and (4) of the Austrian Income Tax Act (capital gains, income from derivatives) less expenses related thereto are deemed as distributed pursuant to Sec 186 (2) of the Austrian Investment Fund Act upon payment of the withholding tax (dividend equivalent amounts). In case the payment of the withholding tax does not occur within four months upon the end of the financial year, the dividend equivalent amounts are deemed as distributed as of the end of this period. In case the dividend equivalent amounts are in fact distributed at any time later, they are tax exempt. As of 1 April 2012, capital gains derived from the sale of shares of the Fund which are held as private assets are subject to income tax. Investors holding shares of the Fund as private assets are obliged to disclose distributions, dividend equivalent amounts and capital gains in its income tax returns. The income is subject to 25 % income tax.

### Business investors

Distributions, dividend equivalent amounts and capital gains of Investors holding the shares of the Fund as business assets, are also subject to income tax whereby in such case the total difference (and not only 60%) of the income pursuant to Sec 27 (3) and (4) of the Austrian Income Tax Act (capital gains, income from derivatives) less expenses related thereto is subject to taxation. Capital gains derived from the sale of shares of the Fund are also subject to taxation. Distributions, dividend equivalent amounts and capital gains of investors holding the shares of the Fund as business assets, are also subject to 25% income tax (in case of individuals) or 25% corporate income tax (in case of legal entities).

### Withholding tax

In case the shares of the Fund are kept on an Austrian deposit, distributions are subject to 25 % withholding tax. Upon deduction of the withholding tax, the income tax of private investors is settled.

By Amendment on the Tax Amendment Act 2004 (Abgabenänderungsgesetz 2004, Federal Law Gazette I 2004/180), the option has been introduced to opt for withholding tax also regarding dividend equivalent amounts, provided that (i) the withholding tax on interest directly or indirectly realised by the investment fund including any income adjustments pursuant to Sec 93 (2) (3) and Sec 93 (3) (1) to (3) of the Austrian Income Tax Act are published on a daily basis and (ii) the withholding tax on the distributions and the deemed distributions are published on a yearly basis via Oesterreichische Kontrollbank (Sec 93 (1) in conjunction with (3)(5) of the Austrian Income Tax Act, Sec 95 (2) of the Austrian Income Tax Act in conjunction with Sec 186 (2)(2) of the Austrian Investment Fund Act). This voluntary deduction of withholding tax is however only possible in case the shares of the Fund are deposited with a bank in Austria.

Tax representative pursuant to Sec 186 (2) (2) InvFG

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## **ODDO BHF EURO SHORT TERM BOND**

### **REGULATIONS**

#### **TITLE 1 - ASSETS AND UNITS**

##### **Article 1 - Co-ownership units**

The co-owners' rights are represented by units, with each unit corresponding to the same fraction of the Fund's assets. Each unitholder has a co-ownership right in the assets of the Fund proportional to the number of units they hold.

The term of the Fund is 99 years starting from its inception date, 25 February 2002, except in the event of early dissolution or extension as set forth in the present regulations.

Unit classes:

The characteristics of the various classes of units and their eligibility requirements are described in the Fund's Detailed Memorandum.

The different classes of units may:

- apply different dividend policies (distribution or accumulation);
- be denominated in different currencies;
- be charged different management fees;
- bear different subscription and redemption fees;
- have a different nominal value;
- be automatically hedged against currency risk, in part or in full, as defined in the full prospectus. This hedge is created using financial instruments that reduce to a minimum the impact of the hedging transactions on the Fund's other unit classes.

The units may be merged or split.

Following the decision of the Management Company's CEO, units may be sub-divided into thousandths, referred to as fractions of units. The provisions of the regulations governing the issue and redemption of units shall apply to fractions of units, whose value shall always be proportionate to that of the units they represent. Unless otherwise provided, all other provisions of the regulations relating to units shall apply to fractions of units without any need to make a specific provision to that end. Lastly, the Management Company's CEO may decide, at its own discretion, to sub-divide the units by issuing new units, which shall be allocated to unitholders in exchange for their existing units.

##### **Article 2 - Minimum assets**

Units may not be redeemed if the Fund's assets fall below EUR 300,000; if the assets remain below this amount for a period of 30 days, the Management Company shall make the necessary provisions to liquidate the Fund, or to carry out one of the operations mentioned in article 411-16 of the AMF General Regulation (transfer of the Fund).

##### **Article 3 – Issue and redemption of units**

Units are issued at any time following receipt of subscription requests from unitholders, on the basis of their net asset value plus a subscription fee, where applicable.

Units are issued in bearer form.

Subscriptions and redemptions are executed under the conditions and according to the procedures defined in the Key Investor Information Document and in the Fund's Detailed Memorandum.

Units of the Fund may be listed on a stock exchange in accordance with the regulations in force.

Subscriptions must be fully paid up on the day the net asset value is calculated. They may be made in cash and/or by a contribution in kind in the form of transferable securities. The Management Company is entitled to refuse any securities offered and, for that purpose, must communicate its decision within seven days of the date on which the securities were tendered. If they are accepted, the securities contributed in kind are valued according to the rules laid down in article 4 and the subscription is based on the first net asset value following acceptance of the relevant securities.

Redemptions are made exclusively in cash, except in the event of liquidation of the Fund when unitholders have agreed to be reimbursed in kind. They are settled by the registrar within a maximum of five days from the valuation day of the units.

However, if in exceptional circumstances the redemption requires the prior sale of assets held in the Fund, this deadline may be extended to a maximum of 30 days.

With the exception of a succession or an inter vivos gift, the sale or transfer of units between unitholders, or between unitholders and third parties, is treated as a redemption followed by a subscription; if this involves a third party, the sale or transfer amount must, where applicable, be supplemented by the beneficiary in order to at least reach the minimum subscription amount stipulated by the Fund's prospectus.

In application of article L.214-8-7 of the French Monetary and Financial Code the redemption of units by the Fund as well as the issue of new units may be suspended on a temporary basis by the Management Company in exceptional circumstances and if this is deemed necessary to protect the interests of unitholders.

If the net assets of the Fund have fallen below the minimum threshold set by the regulations, no redemptions can be carried out.

In application of paragraph three of article L.214-8-7 of the French Monetary and Financial Code, the Fund may stop issuing units in objective situations leading to the closure of subscriptions, such as a maximum number of units or shares issued, a maximum amount of assets reached or the expiry of a fixed subscription period. These objective situations are described in the Fund's prospectus.

The Management Company may prevent:

- the holding of units by any individual or legal entity not entitled to hold Fund units under the terms of the "target investors" section (hereinafter "Non-Eligible Persons"), and/or
- the registering in the Fund's unitholder register or the Transfer Agent's register of any "Non-Eligible Intermediaries", in accordance with the stipulations of the Agreement (IGA) signed on 14 November 2013 between the government of the French Republic and the government of the United States of America so as to improve compliance with tax obligations on an international level and implement the act governing compliance with these obligations for foreign accounts (FATCA).

Within this context, the Management Company may:

- refuse to issue any units if it appears that such an issuance would or could result in said units being held by a "Non-Eligible Person" or registered in the Fund's unitholder register or the Transfer Agent's register;
- request that all information which it deems necessary in order to determine whether or not the beneficial owner of the units in question is a "Non-Eligible Person" be provided at any time from any intermediary whose name appears in the Registers of unitholders, accompanied by a solemn declaration;
- if it appears that the beneficial owner of the units is a "Non-Eligible Person" and is registered in the Fund's Registers of unitholders, immediately proceed with the compulsory redemption of the units held by the Non-Eligible Person. The compulsory redemption shall be carried out using the last known net asset value, increased if applicable by the applicable charges, fees and commissions, which shall be borne by the unitholders concerned by the redemption.

#### **Article 4 - Calculation of the net asset value**

The net asset value of the units is calculated in accordance with the valuation rules specified in the Fund's prospectus.

Contributions in kind may comprise only stocks, securities, or contracts admissible as assets of UCITS; they are valued according to valuation rules governing the calculation of the net asset value.

## **TITLE 2 - OPERATION OF THE FUND**

#### **Article 5 - The Management Company**

The Fund is managed by the Management Company in accordance with the Fund's investment objectives.

The Management Company shall act in all circumstances on behalf of the unitholders and has the exclusive right to exercise the voting rights attached to the securities held in the Fund.

#### **Article 5a - Operating rules**

The instruments and deposits which are eligible to form part of the Fund's assets as well as the investment rules are described in the Fund's prospectus.

#### **Article 5b - Admission to trading on a regulated market and/or a Multilateral Trading Facility**

Units may be admitted to trading on a regulated market and/or a multilateral trading facility in accordance with the regulations in force. In the event that the Fund whose units are admitted to trading on a regulated market has an index-based investment objective, the Fund must have implemented a mechanism for ensuring that the price of its units does not significantly deviate from its net asset value.

#### **Article 6 - The Custodian**

The Custodian carries out the duties incumbent upon it under the legal and regulatory provisions in force as well as those to which it has contractually agreed with the Portfolio Management Company. In particular, it must ensure that decisions taken by the Portfolio Management Company are lawful. Where applicable, it must take all protective measures that it deems necessary. In the event of a dispute with the Portfolio Management Company, it shall inform the *Autorité des marchés financiers*.

#### **Article 7 - The Statutory Auditor**

A statutory auditor is appointed by the governing body of the Portfolio Management Company for a term of six financial years, subject to the approval of the *Autorité des marchés financiers*.

The statutory auditor certifies the accuracy and consistency of the financial statements.

The statutory auditor may be re-appointed.

The statutory auditor is obliged to notify the *Autorité des marchés financiers* promptly if, in the course of its duties, it becomes aware of any fact or decision concerning the undertaking for collective investment in transferable securities which is liable to:

1. Constitute a breach of the legal and regulatory provisions governing this undertaking and is likely to have significant consequences for its financial position, income or assets;
2. Impair its continued operation or the conditions thereof;
3. Lead to the expression of reservations or a refusal to certify the financial statements.

Assets will be valued and exchange ratios will be determined for the purpose of any conversion, merger or split under the statutory auditor's supervision.

The statutory auditor shall assess all contributions in kind under its responsibility.

The statutory auditor shall check the composition of the assets and other information before any publication.

The statutory auditor's fees are determined by mutual agreement between the auditor and the CEO of the Management Company on the basis of an agenda indicating all duties deemed necessary.

The statutory auditor certifies the financial statements serving as the basis for the payment of interim dividends.

#### **Article 8 - The financial statements and the management report**

At the end of each financial year, the Management Company prepares the financial statements and a report on the management of the Fund during the last financial year.

The inventory of assets and liabilities is certified by the Custodian and all of the above documents are reviewed by the statutory Auditor.

The Management Company shall make these documents available to unitholders within four months of the financial year-end and shall notify them of the amount of income attributable to them: these documents shall be sent by post if expressly requested by the unitholders, or made available to them at the office of the Management Company.

### **TITLE 3 - APPROPRIATION OF DISTRIBUTABLE INCOME**

#### **Article 9 - Appropriation of distributable income**

The net income for the financial year is equal to the amount of interest, arrears, dividends, premiums and prizes, and directors' fees as well as all income generated by the securities held in the portfolio of the Fund, plus income generated by temporary cash holdings, less management fees and borrowing costs.

The distributable income consists of:

1° The net income for the financial year plus retained earnings, plus or minus the balance of the income equalisation accounts for the last financial year.

2° The realised capital gains, net of fees, minus realised capital losses, net of fees, recorded during the financial year, plus net capital gains of the same kind recorded during previous financial years and that have not been subject to distribution or accumulation, plus or minus the balance of the capital gains equalisation accounts.

The Management Company decides on the allocation of distributable income.

For each unit class, where applicable, the Fund may adopt one of the following methods:

- Pure accumulation: distributable income shall be fully accumulated, with the exception of those amounts which are subject to compulsory distribution by law;

- Pure distribution: income shall be partially or fully distributed, rounded off to the nearest figure; the Fund may pay interim dividends;

- for funds that wish to choose whether to accumulate and/or distribute income. The Management Company decides on the allocation of distributable income each year.

The Management Company decides on the allocation of distributable income according to the distribution of income provided for in the prospectus and may pay interim dividends where applicable.

#### **TITLE 4 – MERGER - SPLIT - DISSOLUTION - LIQUIDATION**

##### **Article 10 - Merger - Split**

The Management Company may either merge all or part of the Fund's assets with another fund under its management, or split the Fund into two or more common funds under its management.

Such mergers or splits may only be carried out one month after unitholders have been notified.

They give rise to the issue of a new certificate indicating the number of units held by each unitholder.

##### **Article 11 – Dissolution - Extension**

If the assets of the Fund remain below the amount set out in article 2 above for thirty days, the Management Company shall inform the AMF and shall dissolve the Fund, except in the event of a merger with another fund.

The Management Company may dissolve the Fund before term. It shall inform the unitholders of its decision, after which no further subscription or redemption requests shall be accepted.

The Management Company shall also dissolve the Fund if a request is made for the redemption of all of the units, if the Custodian's appointment is terminated and no other custodian has been appointed, or upon expiry of the Fund's term, unless such term is extended.

The Management Company shall inform the AMF by post of the dissolution date and procedure. It shall send the Statutory Auditor's report to the AMF.

The Management Company may decide to extend the Fund's term subject to the agreement of the Custodian. Its decision must be taken at least 3 months prior to the expiry of the Fund's term and must be communicated to the unitholders and the AMF.

##### **Article 12 - Liquidation**

In the event of dissolution, the Custodian or the Management Company shall be responsible for carrying out the liquidation. To this end, they shall be granted the broadest powers to realise assets, pay off any creditors and allocate the available balance among the unitholders in the form of cash or securities.

The statutory auditor and the Custodian shall continue to carry out their duties until the end of the liquidation proceedings.

#### **TITLE 5 – DISPUTES**

##### **Article 13 - Competent courts - Jurisdiction**

Any disputes relating to the Fund that arise during the Fund's lifetime or during its liquidation, either among the unitholders or between the unitholders and the Management Company or the Custodian, shall be subject to the jurisdiction of the competent courts.