

PRESS RELEASE**ODDO BHF Asset Management to extend ESG integration coverage to investment grade euro corporate bond portfolios**

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The ODDO BHF Asset Management ESG integration approach is extended to investment grade credit portfolios from now on. The Luxembourg fund ODDO BHF Euro Corporate Bond is the first fixed income fund to incorporate ESG integration into its investment process.

So far ESG integration has only been deployed to equity strategies. Overall, ODDO BHF AM approximately manages EUR 7.5 bn in assets integrating ESG criteria (i.e. Environment, Social and Governance standards), which is equivalent to 12% of its assets under management.

ESG integration is a complementary layer within a well-established fundamentally driven investment process with a successful track record of more than 6 years in equity funds. For investment grade euro corporate bond portfolios, the ESG process starts with a negative screening and the exclusion of issuers with very high ESG risks. In a second step, the ESG analysis supplements the fundamental credit analysis laying the ground for portfolio construction. While the ESG rating of equities has implications for their valuations, the ESG rating of corporate bond issuer has an impact on the issuers' weight in the portfolio. In both cases the fund management aims to limit ESG specific risks and to contribute to sustainability targets.

"Historically, ESG fixed income indices have largely generated a similar performance compared to broader credit indices. However, over the longer term ESG integration improves the portfolio quality by further reducing company specific execution risks. We strongly believe that ESG integration will further enhance our well-established investment process leading to even more robust investment results going forward," says Bastian Gries, Head of Credit Investment Grade at ODDO BHF AM GmbH.

For Nicolas Jacob, Head of ESG Research at ODDO BHF AM SAS:

"The implementation of our ESG approach in our investment grade credit portfolios is a natural step for us as a European asset manager. As the same time, this trend is also seen among institutional investors and reflected in a growing demand. Also, as early adopter of the integration of ESG standards into asset management products we are already well prepared for any future regulatory requirements, e.g. driven by the EU commission's recently unveiled action plan on sustainable finance."

In a nutshell, the ESG integration approach relies on two pillars: the first pillar of ODDO BHF AM's distinctive approach is "best-in-universe" which rates each security in relation to the entire investment universe, not only to other securities in its sector. The portfolio manager evaluates sector specific risks and opportunities related to ESG criteria. This qualitative analysis substantially contributes to ODDO BHF AM's proprietary ESG platform, a model focusing on 42 different criteria. Based on this analysis an ESG rating is applied to all securities in the investable universe and influences the construction of portfolios. The second pillar is company engagement: in their regular

meetings with companies, fund managers stress the importance of ESG risks and support positive ESG momentum.

About ODDO BHF Asset Management

ODDO BHF AM is part of the independent Franco-German financial group ODDO BHF that was founded in 1849. ODDO BHF AM is an independent asset management leader in Europe. The asset management of the ODDO BHF Group comprises ODDO BHF AM GmbH in Germany, ODDO BHF AM SAS and ODDO BHF Private Equity SAS in France, which together manage assets totaling €61,5 billion. ODDO BHF AM offers its institutional and wholesale clients a unique range of high-performance investment solutions in all main asset classes, i.e. European equities, quantitative strategies, fixed income, multi-asset solutions and private equity. On a combined basis, 70% of assets under management are from institutional clients and 30% from distribution partners. The teams operate from investment centers in Dusseldorf, Frankfurt and Paris with additional locations in Luxembourg, Milan, Geneva, Stockholm and Madrid. ODDO BHF AM puts the long-term support of its clients at the heart of its priorities. Its independence allows its teams to be responsive, flexible and innovative in order to constantly find solutions tailored to the customers' needs.

www.am.oddo-bhf.com

About ODDO BHF

ODDO BHF is an independent Franco-German financial services group, with a history stretching back over 160 years. It was created from the alliance of a French family-owned business built up by five generations of stockbrokers and a German bank specialising in Mittelstand companies. With 2,300 employees (1,300 in Germany and 1,000 in France and Tunisia), and more than 100 billion euros in assets under management, ODDO BHF operates in three main businesses, based on significant investment in market expertise: private banking, asset management and corporate and investment banking. The Group has a specific ownership structure as 60% of its capital is held by the Oddo family and 30% by employees. This "partnership" ethos guarantees the long-term involvement of its teams. In 2017, ODDO BHF generated net banking income of 591 million euros, and at 31 December 2017, the Group had over 844 million euros of shareholders' equity.

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