

Website disclosures

PRODUCT NAME : ODDO BHF GLOBAL TARGET 2028

LEGAL ENTITY IDENTIFIER : 969500XPDH1A64WTNM31

SUMMARY

Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of sustainable investments <input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: N/A <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: N/A	<input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of N/A sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS ARE PROMOTED BY THIS FINANCIAL PRODUCT?

The Sub-fund promotes environmental and/or social characteristics that are reflected in the construction and weighting of the Management Company's internal ESG rating system.

The internal ESG analysis process is twofold:

"best-in-universe": the Management Company favours the highest-rated issuers regardless of their size and sector of activity.

"best effort": the Management Company values the progress made over time by issuers, thanks to direct dialogue with them.

These two stages may mean that companies excluded because of their low ESG profile but with strong potential for progress in sustainability may be brought back into the investment universe.

NO SUSTAINABLE INVESTMENT OBJECTIVE

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

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These two stages may mean that companies excluded because of their low ESG profile but with strong potential for progress in sustainability may be brought back into the investment universe.

As part of the company rating process, the following criteria, among others, are analysed:

- Environmental: energy consumption, water consumption, waste management, environmental certifications, products and services with added environmental value or climate risk management.
- Social: human capital (human resources management, diversity of management teams, employee training, health and safety, etc.), supplier management or innovation.
- Governance: corporate governance (preservation of minority shareholder’s interests, composition of governance bodies, remuneration policy, etc.), fiscal responsibility, or exposure to risk of corruption.

The Management Company pays close attention to the analysis of human capital and corporate governance. Our analysis are conducted in collaboration by our management and our ESG analyst teams, and enable us to identify the non-financial risks to which each issuer is potentially exposed (corruption, reputation, regulation,

INVESTMENT STRATEGY

The Sub-fund’s investment strategy is to manage, on a discretionary basis, a diversified portfolio of debt security composed, up to a limit of 100% of the Sub-fund’s net assets, of traditional, high yield bonds rated between BB+ and CCC (by Standard & Poor’s or equivalent as assessed by the Management Company, or according to its own internal rating), of which at least 60% are issued by corporate issuers with their registered office in an OECD member country and with maturities of a maximum of six months and one day after 31 December 2028 (final maturity of the product or early redemption options at the sub-fund’s discretion).

The strategy is not limited to holding bonds; the Management Company may make changes to the portfolio to take advantage of new opportunities in the market, or if it detects an increase in the risk of default of one of the issuers in the portfolio.

Within the limit of 40% of the net assets, the sub-fund may hold securities from corporate issuers whose registered office is located outside of the OECD, including in emerging countries.

The Sub-fund seeks to maximize the portfolio’s average yield-to-maturity at the maturity date of 31 December 2028 and select the issuers with the lowest default risk in light of the return offered and fundamental analysis of the various risk factors inherent to said issuers. It seeks to select securities that the manager deems to have been unjustly downgraded by rating agencies. By taking a large number of factors into account when selecting assets, the sub-fund can:

- adopt an investment strategy based on bond-picking, combined with technical analysis, when constructing the portfolio, while consistently seeking an attractive risk/return ratio, according to the Management Company’s assessment;
- manage the portfolio’s investment return depending on changes in interest rates and/or spreads;
- monitor and measure geographical and sector exposure. The investment universe of the sub-fund is made up of companies included in the following credit market index: HEAE Index, excluding hybrids.

This index contains all of the securities that make up the ICE BofA Euro Fixed & Floating Rate High Yield Index excluding banks and insurance companies. It tracks the performance of euro-denominated fixed and variable rate corporate debt rated below investment grade issued on the markets.

ESG (environmental, social and governance) criteria are another factor in fundamental 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.

This approach can be broken down into two consecutive stages.

- First stage: exclusion of companies manufacturing non-conventional weapons (chemical weapons, antipersonnel mines and cluster bombs, blinding laser weapons, incendiary weapons and non-detectable fragment weapons, nuclear weapons manufactured by a company incorporated in a country not party to the Nuclear Non-Proliferation Treaty (NPT)), and companies undertaking coal mining, coal-based power generation and development projects or infrastructure related to coal, the production of tobacco, and of adult entertainment.

Details about the Management Company’s exclusion policy which give more detailed information on the integration of

ESG criteria and exclusion thresholds are available on the website “am.oddo-bhf.com”.

- Second stage: this step involves taking into account the ESG rating of a large majority of the companies in the investment universe from our internal rating system using a combination of two approaches:

- 1) best-in-universe: the management team favors the highest rated issuers regardless of their size and sector of activity.
- 2) best effort: the management team values the progress made over time by issuers, thanks to direct dialogue with them.

These two stages may mean that companies excluded because of their low ESG profile but with strong potential for progress in sustainability may be brought back into the investment universe.

As part of the company rating process, the following criteria, among others, are analysed:

- Environmental: energy consumption, water consumption, waste management, environmental certifications, products and services with added environmental value or climate risk management.
- Social: human capital (human resources management, diversity of management teams, employee training, health and safety, etc.), supplier management or innovation.
- Governance: corporate governance (preservation of minority shareholder's interests, composition of governance bodies, remuneration policy, etc.), fiscal responsibility, or exposure to risk of corruption.

The Management Company pays close attention to the analysis of human capital and corporate governance. We believe that poor human capital management or corporate governance failures pose a major risk to the execution of a company's strategy and therefore to its valuation.

Our analyses are conducted in collaboration by our management and our ESG analyst teams and enable us to identify the non-financial risks to which each issuer is potentially exposed (corruption, reputation, regulation, retention of talent product quality and safety, etc.). They allow us to understand if these constitute a significant risk in the delivery of the strategy and published targets. In this way, the result of our ESG analysis is a concrete expression of the risk of executing an issuer's medium and long-term strategy.

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

This internal ESG analysis results in an internal rating system on a scale of 1 (worst) to 5 (best): High ESG Opportunity (5), ESG Opportunity (4), ESG Neutral (3), Moderate ESG Risk (2) and High ESG Risk (1). For stocks not monitored by the Management Company's internal rating process, the Management Company relies on non-financial data provided by an external service provider.

The Management Company undertakes that 75% of the debt securities and money market instruments with a high yield credit rating and at least 90% of debt securities and money market instruments with an investment grade credit rating have an ESG rating within the sub-fund.

These ESG ratings are taken into account by the management teams in order to ensure a certain level of overall ESG quality within the portfolio. The management team may select stocks that are not included in the sub-fund's investment universe. Given the Fund's performance target and specific maximum maturity for securities held, the selection of securities may vary over time at the portfolio manager's discretion, depending on market opportunities and the maturing of securities.

In particular, the Sub-fund may invest up to 100% of its assets in investment grade securities rated higher than BB+ (Standard & Poor's or equivalent as assessed by the Management Company or according to its own internal rating). The manager may also invest up to 100% of net assets in French or foreign forward financial instruments traded on regulated or OTC markets, without seeking overexposure. The manager may take positions in order to hedge the portfolio against interest rate and credit risk. The manager will also use swap and/or forward exchange contracts to hedge the portfolio against currency risk, though a residual risk of a maximum of 5% remains.

The sub-fund's maximum market exposure (equities, debt securities, funds and derivatives) may not exceed 100% of the Sub-fund's net assets, it being understood that the maximum exposure is the sum of the net exposures to each of the markets (equity, fixed income, money) to which the sub-fund is exposed (the sum of long and hedging positions).

PROPORTION OF INVESTMENTS

There will be a minimum of 80% investments promoting Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 2% of sustainable investments.

MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The methodologies to promote the social and/or environmental characteristics of the Fund are based on the Manager's internal ESG rating model. More information is available in the pre-contractual information or here: <https://am.oddo-bhf.com>

METHODOLOGIES FOR ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The Manager uses different sources of data in its internal ESG rating model to justify the promotion of social and/or environmental characteristics. This data comes from external providers like MSCI, CDP, Carbon 4 Finance (biodiversity data) and Bloomberg, and is completed by internal assessments

DATA SOURCES AND PROCESSING' FOR FINANCIAL PRODUCTS THAT PROMOTE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The Manager ensures the data quality and consistency by having a regular dialog with its data providers in order to correct potential errors, make recommendations on potential improvements, and provide feedbacks to clients' consultations. Data are processed through data imports into the Manager's IT systems.

LIMITATIONS TO METHODOLOGIES AND DATA

All rights in the data and reports provided by third-party licensors vest in such licensors and/or their content providers. None of such licensors or their affiliates, or their content providers, accept any liability for any errors, omissions or interruptions in such data/reports as to completeness, accuracy or timeliness. No copying or further distribution of such data/reports is permitted without such third-party licensors' express written consent. The Manager is regularly in contact with its data providers to ensure the quality and reliability of the data used.

DUE DILIGENCE

The due diligence is led by the portfolio managers through a detailed fundamental analysis complemented by external ESG ratings to ensure the mitigation of risks.

ENGAGEMENT POLICIES

The engagement policies of the Manager are available here: https://am.oddo-bhf.com/france/fr/investisseur_professionnel/home

DESIGNATED REFERENCE BENCHMARK

The benchmark of the Fund has not been designated to attain the environmental and social characteristics promoted by the Fund.