

# ODDO BHF Avenir

30 AUGUST 2024

CR-EUR - Eur | *Fundamental Equities - Mid Cap - France*

Assets Under Management	<b>579 M€</b>	Morningstar™ Category:	① ② ③ ④ ⑤ ⑥ ⑦
NAV per Unit	<b>4,571.86€</b>	France Small/Mid-Cap Equity	Risk scale (1)
Evolution vs M-1	<b>-20.81€</b>	★ ★ ★ ★ Rating at 8/31/24	6 8 9
		🌐 🌐 🌐 🌐 Rating at 6/30/24	SFDR Classification <sup>2</sup>

Countries in which the fund is authorised for distribution to the public:

FR IT CHE DEU AUT ESP

## PORTFOLIO MANAGERS

Pascal RIEGIS, Grégory DESCHAMPS, Frédéric DOUSSARD, Sébastien MAILLARD

## MANAGEMENT COMPANY

ODDO BHF AM SAS

## KEY FEATURES

**Recommended investment horizon:** 5 Years

**Inception date (1st NAV):** 9/14/92

**Inception date of the fund:** 9/14/92

<b>Legal structure</b>	FCP
<b>ISIN code</b>	FR0000989899
<b>Bloomberg code</b>	ODDAVEC FP
<b>Dividend policy</b>	Accumulation unit
<b>Minimum (initial) investment</b>	1 thousandth of a unit
<b>Management company (by delegation)</b>	-
<b>Subscriptions/redemptions</b>	11:15am D
<b>Valuation</b>	Daily
<b>Management fees</b>	Up to 1.80% (inclusive of tax) of the net assets, UCITS excluded
<b>Performance fees</b>	Maximum 20% of the Fund's outperformance of the benchmark index (see prospectus for details)
<b>Subscription fees</b>	4 % (maximum)
<b>Redemption fees</b>	Nil
<b>Management fees and other administrative or operating costs</b>	1.72 %
<b>Transaction fees received by the Management Company</b>	Transaction fees are listed in the prospectus and may be applied in addition to the fees shown above.

	Annualized volatility			
	1 year	3 years	5 years	10 years
<b>FUND</b>	13.7%	16.0%	19.1%	16.7%
Benchmark	14.5%	15.6%	19.6%	17.0%

## INVESTMENT STRATEGY

ODDO BHF Avenir is a French (at least 70%) small and mid-cap equity fund. It aims to be permanently invested in equities, targeting long-term capital growth. It primarily selects some of the best performing cyclical and non-cyclical companies in France, which often have an international presence, where the price is considered attractive taking long-term prospects into account.

### Benchmark :

10,00% ESTER European Short Term Rate + 8.5 BP + 90,00% MSCI France Smid Cap Loc Net

Net annual performance (12-months rolling)										
from	08/14	08/15	08/16	08/17	08/18	08/19	08/20	08/21	08/22	08/23
to	08/15	08/16	08/17	08/18	08/19	08/20	08/21	08/22	08/23	08/24
<b>FUND</b>	20.8%	9.0%	19.5%	4.6%	-1.4%	0.9%	28.3%	-18.4%	13.6%	-1.1%
Benchmark	13.0%	6.0%	20.0%	4.1%	-3.1%	-3.2%	28.5%	-15.0%	6.9%	1.0%

Calendar performance (from January 01 to December 31)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>FUND</b>	26.8%	7.2%	20.7%	-21.1%	31.9%	4.0%	19.1%	-20.7%	17.5%
Benchmark	15.3%	7.9%	17.7%	-17.6%	25.6%	0.9%	15.9%	-16.0%	7.3%

Cumulative and annualized net returns									
	Annualized performance			Cumulative performance					
	3 years	5 years	10 years	1 month	YTD	1 year	3 years	5 years	10 years
<b>FUND</b>	-2.9%	3.5%	6.8%	-0.5%	-3.4%	-1.1%	-8.4%	18.6%	92.6%
Benchmark	-2.8%	2.7%	5.2%	0.1%	0.9%	1.0%	-8.3%	14.1%	65.4%

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

Risk measurement	1 Year	3 Years	5 Years	10 Years
Sharpe ratio	-0.27	-0.29	0.13	0.39
Information ratio	-0.44	-0.02	0.12	0.28
Tracking Error (%)	5.83	6.17	6.40	5.70
Beta	0.87	0.95	0.93	0.92
Correlation coefficient (%)	91.57	92.41	94.56	94.29
Jensen's Alpha (%)	-2.71	-0.34	0.92	1.98

New benchmark since July 1st, 2015. Previous benchmark: 90% CAC MID 60 (NR) + 10% EONIA until 21 March 2011 and 90% CAC MID 100 (ex-dividends) + 10% EONIA before. The benchmark is considered dividends reinvested since July, 1st 2013.

\*The glossary of indicators used is available for download on [www.am.oddo-bhf.com](http://www.am.oddo-bhf.com) in the FUNDS section. | Sources : ODDO BHF AM SAS, Bloomberg, Morningstar® Sustainability provides company-level analysis used in the calculation of Morningstar's Sustainability Score.

(1) The summary risk indicator (SRI) is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the market or because we are not able to pay you. It ranges from 1 (low risk) to 7 (high risk). This indicator is not constant and will change according to the fund's risk profile. The lowest category does not mean risk-free. Historical data, such as that used to calculate the SRI, may not be a reliable indication of the fund's future risk profile. There is no guarantee that the investment objectives in terms of risk will be achieved.

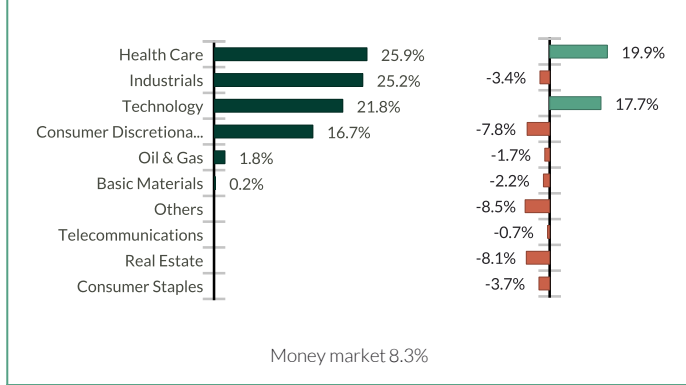
(2) Information on the EU Sustainable Finance Disclosure Regulation (SFDR) can be found in the SFDR classification(2) section of the document.

# ODDO BHF Avenir

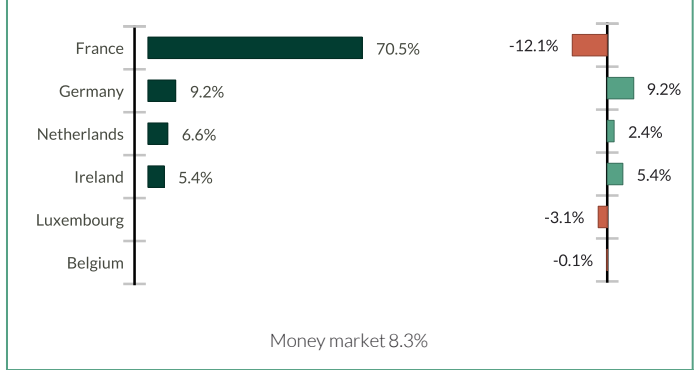
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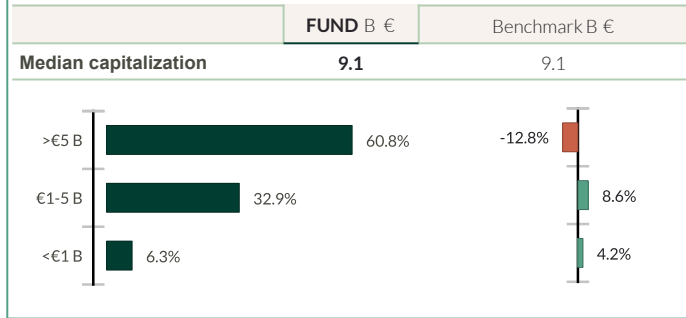
## SECTOR BREAKDOWN



## GEOGRAPHIC BREAKDOWN (COUNTRY OF INCORPORATION)



## CAPITALIZATION BREAKDOWN - EXCLUDING CASH (%)



■ Fund ■ Overweight ■ Underweight against benchmark

## Weighted carbon intensity (tCO2e / €m turnover)

	FUND	Benchmark
Weighted carbon intensity	27.0	70.0
Coverage ratio	100.0%	100.0%

Source MSCI. We use scopes 1 (direct emissions) and 2 (indirect emissions related to electricity, heat or steam consumption) to calculate the carbon intensity, expressed in tonnes of CO2 equivalent per million € of revenues. Cash and derivatives are not covered. Carbon metrics methodology: see details on page 4

## Main portfolio holdings

	Weight in the fund (%)	Weight in the benchmark (%)	Country	Sector	MSCI ESG rating
Mtu Aero Engines Ag	5.84		Germany	Industrials	AA
Biomerieux	5.80	1.40	France	Health Care	AA
Safran Sa	5.55		France	Industrials	A
Icon Plc	5.40		Ireland	Health Care	AA
Sodexo Sa	5.35	2.29	France	Consumer Discretionary	A
Publicis Groupe	5.14	7.33	France	Consumer Discretionary	A
Vetoquinol Sa	4.93		France	Health Care	
Ipsen	4.91	1.33	France	Health Care	A
Sopra Steria Group	4.84	0.87	France	Technology	AA
Virbac Sa	4.84	0.47	France	Health Care	AA

Number of holdings 34

\*\* rebased on the rated part of the fund | rating according to MSCI from CCC (High Risk) to AAA (Strong Opportunity).

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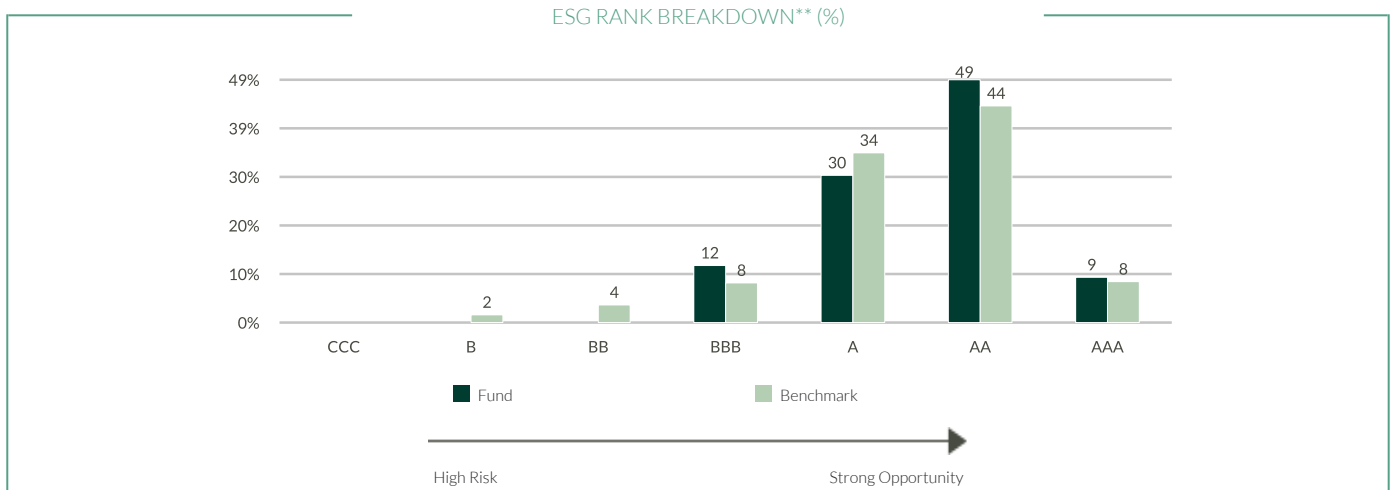
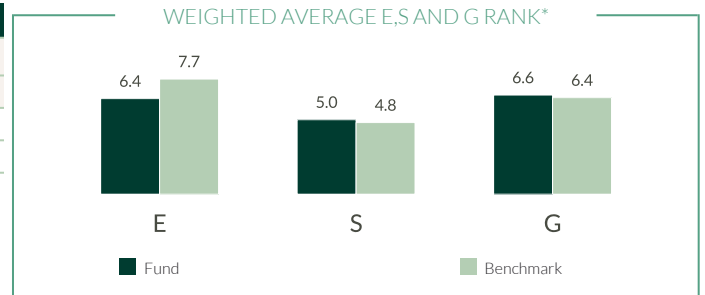
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## SUSTAINABLE REPORT - OVERVIEW

ESG Rating		
	FUND	Benchmark
	Aug 24	Aug 24
<b>MSCI ESG rating</b>	AA	A
<b>ESG coverage**</b>	91.5%	99.7%

Benchmark : 10,00% ESTER European Short Term Rate + 8.5 BP + 90,00% MSCI France Smid Cap Loc Net



TOP 5 ESG rank				
	Sector	Country	Weight in the fund (%)	MSCI ESG rating
Stmicroelectronics Nv	Technology	Netherlands	3.81	AAA
Rexel Sa	Industrials	France	3.71	AAA
Michelin (Cgde)	Consumer Discretionary	France	0.42	AAA
Dassault Systemes Se	Technology	France	0.22	AAA
Mtu Aero Engines Ag	Industrials	Germany	5.84	AA
<b>Subtotal top 5</b>	-	-	<b>13.99</b>	-

\*ESG rank at the end of the period.

\*\* rebased on the rated part of the fund | rating according to MSCI from CCC (High Risk) to AAA (Strong Opportunity).

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## SUSTAINABLE REPORT – METHODOLOGY

ODDO BHF AM considers that measuring the environmental, social and governance impact of an investment is an essential step in disseminating good practices in ESG integration. To do this, it is imperative to have reliable, simple quantitative criteria (no reprocessing) and to allow comparison between portfolios regardless of their composition (large vs midcaps, geographical and sectoral diversity).

The choice of indicators is therefore crucial for the relevance of impact measurement. The data for the environmental indicators come from our external non-financial analysis provider, MSCI. We systematically indicate the availability of the data at the level of the portfolio and its benchmark.

### ESG integration at ODDO BHF Asset Management | 3 systematic steps

**Exclusions**

- Norm-based:** exclusion of companies that do not comply with certain international standards.(chemical weapons , anti-personnel mines, violation of the principles of the Global Compact, etc.)
- Sector-based:** total or partial exclusion of sectors or activities based on ethical considerations (tobacco, gambling, weapon, adult entertainment / pornographie and Coal...)

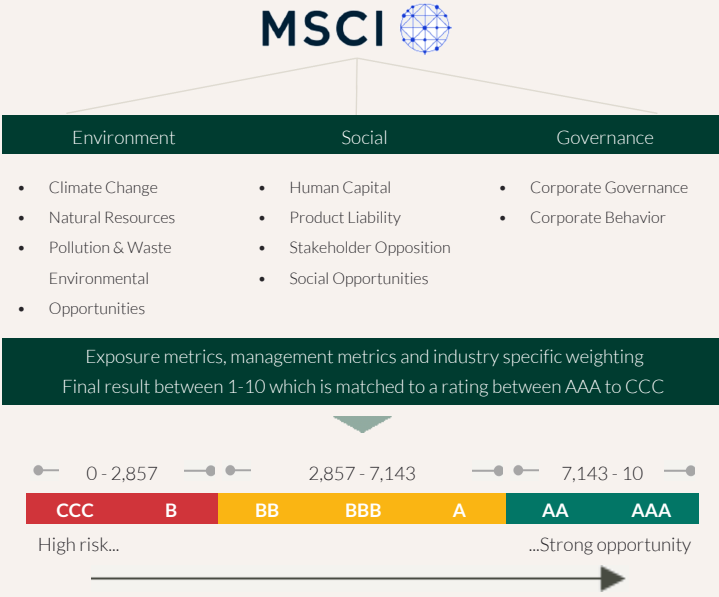
**ESG ratings**

- Usage of MSCI data based on a “Best-in-Class” approach
- All titles considered for investments have at least a BB rating

**Dialogue and engagement**

- Systematic dialogue with low-ESG rated issuer
- Engagement for upgrade

### ESG rating methodology



The diagram illustrates the MSCI ESG rating methodology. It starts with the MSCI logo, which branches into three pillars: Environment, Social, and Governance. Each pillar lists specific indicators: Environment (Climate Change, Natural Resources, Pollution & Waste, Environmental Opportunities), Social (Human Capital, Product Liability, Stakeholder Opposition, Social Opportunities), and Governance (Corporate Governance, Corporate Behavior). These indicators feed into a box for 'Exposure metrics, management metrics and industry specific weighting', which leads to a 'Final result between 1-10 which is matched to a rating between AAA to CCC'. Below this is a scale from 0 to 10, with corresponding ratings: CCC (0-2,857), B (2,857-7,143), BB (7,143-10), BBB, A, AA, and AAA. The scale is labeled 'High risk...' on the left and '...Strong opportunity' on the right.

*Sources: ODDO BHF AM SAS, MSCI.*

**Carbon metrics methodology: We updated our methodology of carbon intensity calculation.**

**Starting January 31st, 2023, when reported carbon values are unavailable or inconsistent, estimated carbon values are used.**

**The estimations are based on average carbon value (scope 1+2 emissions) of sectoral peers as a function of revenues**

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## MONTHLY MANAGEMENT COMMENT

August was another highly volatile month. The publication of disappointing economic data in the United States the hike in the Bank of Japan's key interest rates triggered a sharp fall in the first few days of the month. The prospect of the US economy slowing and inflation easing then revived hopes that the Federal Reserve will lower its interest rates. This shored up bond and share prices.

In the United States, the publication of a disappointing ISM index (46.8 vs a prediction of 48.8), the lowest number of job starts in three years (144,000), and a rise in unemployment to 4.3% initially fuelled the risk of a recession. However, year-on-year inflation dropped below the 3% mark at the end of July. This raised hopes that the Federal Reserve will cut interest rates, especially after Chair Jerome Powell's comments at the Jackson Hole Symposium.

The Bank of Japan's 0.25% rate hike triggered an unwinding of speculative positions and a 12% fall in the TOPIX on 5 August, the sharpest one-day drop since 1987. However, once these carry trades had been purged, the prospect of a more moderate scenario saw Japanese share prices rebound quickly.

In Europe, the economy remains gloomy but unemployment dropped to 6.4% in July, an all-time low. Underlying inflation, excluding commodities and the Olympic Games effect, was around 2.8% year-on-year at the end of July, firmly below the 3% mark. The MSCI Europe SMID Cap NR index gained 0.45% over the month, underpinned by defensive sectors such as distribution, insurance, health care, hotels and real estate, which were all up by more than 3.5%. Energy and commodities lost over 3.5% due to expectations of an economic slowdown and the mediocre construction outlook in China, which has accounted for half of global demand for metals over the past two decades.

Our fund was hit by recession fears early in the month and could not make up all of this lost ground in the second half.

We are sticking to our investment philosophy, which is focused on companies that have the competitive edge and global reach to outpace global GDP growth, even if some of them may experience short-term fluctuations. The companies that we choose have little debt and look attractively valued. They are mostly selected from industrials as well as the consumer, technology and health care sectors.

## RISKS:

The fund is exposed to the following risks : risk of capital loss, equity risk, interest rate risk, credit risk, risk associated with discretionary management, counterparty risk, risk associated with holding small and medium capitalisations, risks associated with securities financing transactions and collateral management, Sustainability risk and on an ancillary basis currency risk

## SFDR CLASSIFICATION<sup>2</sup>

The EU Sustainable Finance Disclosure Regulation (SFDR) is a set of EU rules which aim to make the sustainability profile of funds transparent, more comparable and better understood by end investors. Article 6: The management team does not consider sustainability risks or adverse effects of investment decisions on sustainability factors in the investment decision making process. Article 8: The management team addresses sustainability risks by integrating ESG criteria (Environment and/or Social and/or Governance) into its investment decision making process. Article 9: The management team follows a strict sustainable investment objective that significantly contributes to the challenges of the ecological transition, and addresses Sustainability Risks through ratings provided by the Management Company's external ESG data provider.

## DISCLAIMER

This document has been drawn up by ODDO BHF AM SAS. Potential investors should consult an investment advisor before subscribing to the fund. The investor is informed that the fund presents a risk of capital loss, but also many risks linked to the financial instruments/strategies in the portfolio. In case of subscription, investors must read the Key Information Document (KID) and the fund's prospectus in order to acquaint themselves with the detailed nature of any risks incurred and all costs. The value of the investment may vary both upwards and downwards and may not be returned in full. The investment must be made in accordance with investors' investment objectives, their investment horizon and their capacity to deal with the risk arising from the transaction. ODDO BHF AM SAS cannot be held responsible for any direct or indirect damages resulting from the use of this document or the information contained in it. This information is provided for indicative purposes and may be modified at any moment without prior notice. Any opinions presented in this document result from our market forecasts on the publication date. They are subject to change according to market conditions and ODDO BHF AM SAS shall not in any case be held contractually liable for them. The net asset values presented in this document are provided for indicative purposes only. Only the net asset value marked on the transaction statement and the securities account statement is authoritative. Subscriptions and redemptions of mutual funds are processed at an unknown asset value.

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The Key Information Document (DEU, ESP, GB, ITL, NLD) and the prospectus (FR, GB) are available free of charge from ODDO BHF AM SAS or at [am.oddo-bhf.com](http://am.oddo-bhf.com) or at authorized distributors. The annual and interim reports are available free of charge from ODDO BHF AM SAS or on its internet site [am.oddo-bhf.com](http://am.oddo-bhf.com).

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