

ODDO BHF IMMOBILIER



For more than 30 years, we offer simple and diversified access to European listed real estate



What is listed real estate?

Listed and non-listed real estate both involve ownership of physical assets, but one of the main differences between them is that listed real estate is traded on centralised markets via property companies and thus offers immediate liquidity with transparent prices.

Based on our research, value generated by listed real-estate companies through active management of assets, results in better long-term performance (i.e., 5 years, 10 years, and 20 years) than non-listed real-estate companies.

We believe that investors could benefit from a mixed approach to their real-estate investments. Exposure to listed real estate could potentially improve their portfolio's risk/return profile.

Management team



Véronique Gomez

Portfolio manager
ODDO BHF Immobilier



30 years of experience
in investment



Pierre Toussain

Portfolio manager
ODDO BHF Immobilier



14 years of experience
in investment

Comparison of various real-estate vehicles

	Direct investment	Real-estate investment trust (SCl) (closed- or open-ended)	Listed real-estate fund (fonds commun de placement)
Diversification (country, region, sector and volume)	Low	Average	High
Barriers to access (minimum investment volume)	High	Average	Very low
Liquidity (daily trading volumes / lock-up periods)	Low / average	Low	Average / High
Transparency	Low	Average	High
Maintenance (for investors)	High	None	None
Volatility	Low	Low	Average / High

Risks

ODDO BHF Immobilier incurs the following risks: **risk of loss of capital, equity risk, discretionary management risk.**

For more details on risks, please refer to the last page of this document.

*Source: Morningstar™ – Category: Real estate – Indirect Zone Euro **Synthetic risk/reward indicator: the lower the risk, the lower the potential return, and the greater the risk, the greater the potential return. The risk profile is not constant and is subject to change over time.

Source: ODDO BHF AM SAS | Figures as of 31 August 2020.

Why invest in listed real estate?

A solid alternative to direct real-estate ownership, based on our analysis

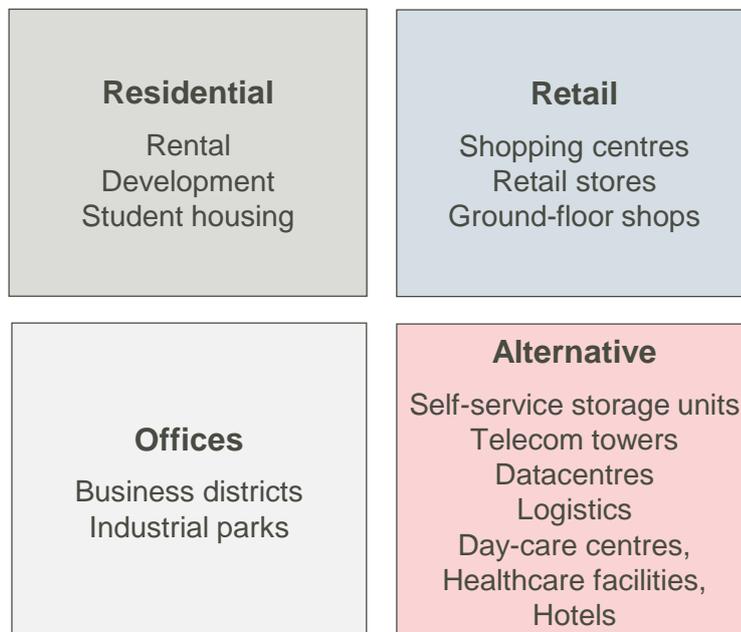
What exactly is listed real estate?

A listed property company holds (and, most often, manages) real-estate assets that it leases out, from which it derives income. It sells and buys real estate, with the difference in valuations often being a factor in how it creates value.

Listed property companies give investors access to income from real-estate assets, without actually holding them. Such assets can be in various segments, including healthcare, offices, shops, housing, logistics, etc.

The liquidity inherent to listed property companies makes diversified exposure real-estate possible in geographical and sector terms, simply and economically, while nonetheless being exposed to a potential risk of loss of capital.

Various types of real estate



Based on our analyses:

Advantages of listed real estate companies

- **Diversification:** Real estate tends to be only slightly, and sometimes even negatively, correlated to traditional asset classes (including equities). Moreover, investors can use listed property companies to gain exposure to various segments, cities and countries.
- **Liquidity:** Shares in property companies are more liquid than investments in physical property (for example, a SCPI real-estate investment company) and shares can be easily resold on the financial markets. On the other hand, they are subject to broader movements on the financial markets.
- **Dividends:** Some vehicles have a tax-transparency status allowing them to generate potentially high dividends with the requirement to pay out at least 80% of their income in the form of dividends. This helps diversify property risk.

Drawbacks of listed real estate

- **Volatility and risk of loss of capital:** The level of liquidity results in volatility similar to that of equity investments, with a risk of loss of capital.

Potential of listed real estate

Favourable structural trends

- **Listed real estate in 2020:** The Covid-19 crisis has caused a steep fall in certain assets, thus offering possible entry-point opportunities. It is also an accelerator of megatrends, creating a polarisation in assets and favouring active management, based on our research.
- **Potential outperformance amidst an economic recovery:** The European property sector has declined more than the broader equity market, but historically it has underperformed earlier, at the start of a recession cycle, then outperforming during the initial phase of an economic recovery.
- **Depth of the investment universe:** Listed real estate is one way to invest in traditional assets, such as residential, offices, and retail. It also offers exposure to segments enjoying strong growth and solid fundamentals, such as logistics and retirement homes.
- **Megatrends:** Investors in listed real estate could benefit from long-term megatrends, based on our analysis.
- **Favourable tax treatment:** Vehicles most often enjoy a special tax regime exempting them from corporate tax and generating high dividends. Real-estate companies must pay out dividends on a regular basis, regardless of market conditions.

Main long-term megatrends influencing the real-estate sector



Urbanisation & Polarisation of urban centres
Coworking and flexible offices



Ageing of the population
Residences, services / co-living
International tourism



Integration of new technologies
Emergence of “connected cities”
E-commerce



Climate change
New methods of construction
Fight against land artificialisation



The opinions expressed in this document reflect our market expectations at the time of publication and are subject to change, depending on market conditions.

Covid-19 impact: Our convictions

The Covid-19 crisis has accentuated the disparities between various sectors

Overweighted sectors



- **German residential property** offers an attractive balance between supply and demand, driven by migratory flows, urban population growth, cheap financing, and rents that have risen from low levels.



- **Logistics** are being driven by the accelerated penetration of e-commerce. Accordingly, prospects in terms of income growth are still more attractive than in most other property segments.



- **Healthcare property** offers high yields, due to its relative scarcity, as well as attractive development potential, given the imbalance between supply and demand.

Underweighted sectors



- **Shopping centres:** we were already underweighting shopping centres, due to negative growth in NAV (net asset value) expected over the coming years.



- **Hotel companies:** likely to underperform due to the lack of tourist traffic in Europe caused by Covid-19.



- **Offices** are one of the most cyclical segments. The repercussions of the Covid crisis, such as shifts in working methods and the lack of transactions during the lockdowns will have an impact on future demand. Within this asset class, which is likely to be the most polarised, we prefer companies having high-quality assets.

Source: ODDO BHF AM SAS | Figures as of 31 August 2020



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Why invest in ODDO BHF Immobilier?

Diversified real estate, daily liquidity

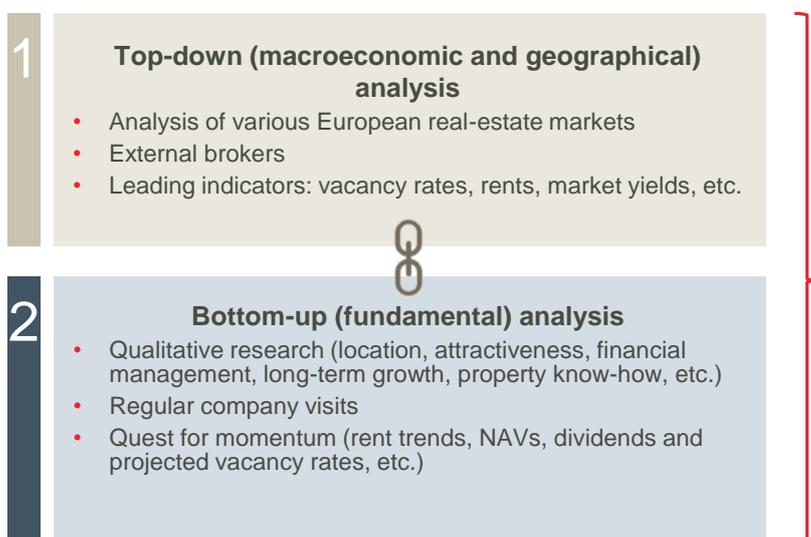
Highlights of the strategy

- **Simple and diversified access** to listed real estate in Europe, companies managing property assets, including offices, shopping centres, healthcare facilities, logistics, student housing and clinics, etc.
- **Performance track-record*** that is among the longest on the market: the fund was launched in 1989.
- **A dividend-distributing strategy** for investors seeking steady income streams.
- **Conviction-based management:** about 40 portfolio holdings.
- Management based on the combination of a **macroeconomic approach** and a **fundamental approach**.
- **Active management** that identifies market inefficiencies and helps invest in undervalued companies.



Risks: The fund incurs a risk of loss of capital and discretionary management risk, among others.

Investment process: two performance drivers



ODDO BHF Immobilier

- A diversified portfolio of about 40 holdings
- Mainly large cap companies that are leaders on their respective markets

*Past performances are not a reliable indicator of future performances and are not constant over time.

Source: ODDO BHF AM SAS I Figures as of 31 August 2020
ODDO BHF Immobilier

Risks

ODDO BHF Immobilier incurs the following risks: risk of loss of capital, equity investment risk, small and mid cap risk, risk of portfolio concentration in property stocks, discretionary investment risk, interest-rate risk, credit risk, counterparty risk, currency risk and, on an accessory basis, risk incurred from investing in convertible bonds and risk incurred from investing in high-yield securities.

Investors are urged to view the Key Investor Information Document and the fund prospectus for details on the risks to which the fund is exposed.

General characteristics

Benchmark	FTSE EPRA/NAREIT Eurozone Capped Index Net TRI	
Investment objective	The investment objective is to outperform the FTSE EPRA/NAREIT Eurozone Capped Index Net TRI over a five-year minimum investment horizon, mainly by investing in euro zone property shares.	
Recommended investment horizon	5 years	
Inception date	12 September 1989	
Morningstar™ category	Real Estate – Indirect Euro Zone	
Unit categories	CR-EUR	DR-EUR
ISIN code	FR0000989915	FR0000989923
Currency	EUR	EUR
Income allocation	Capitalisation	Distribution
Minimum initial investment	1 thousandth of a unit	1 thousandth of a unit
Subscription fee	4% maximum all tax included	4% maximum all tax included
Fixed management fee	1.8% maximum all tax included of fund NAV excluding UCITS	
Redemption fee	None	
Outperformance fee	No more than 20% of the fund's outperformance vs. its benchmark if the fund's performance is positive	
Transaction fees	Transaction fees, which are set down in the prospectus, may be charged on top of the fees provided in the table	

Structure and technical information

Legal status	<i>Fonds Commun de Placement (FCP)</i> governed by French law	
Investment management company	ODDO BHF Asset Management SAS	
Depository	ODDO BHF SCA	
Subscription/redemption cut-off	Daily at 11:15 am at a then-unknown price	
Valuation frequency	Daily	

Countries in which the fund is authorised for distribution: France, Spain, Germany, Switzerland, Italy, Portugal and Austria.

ODDO BHF AM is the asset management division of the ODDO BHF Group. It is the common brand of four legally separate asset management companies: ODDO BHF AM SAS (France), ODDO BHF PRIVATE EQUITY (France), ODDO BHF AM GmbH (Germany) and ODDO BHF AM Lux (Luxembourg).

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ODDO BHF Asset Management SAS (France)

Portfolio Management Company approved by the Autorité des Marchés Financiers under the approval number GP 99011.

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