

Paris, 19 March 2021

**STRENGTHENING OF ESG REQUIREMENTS AND CHANGE OF NAME FOR THE FUND
ODDO BHF EUROPEAN CONVERTIBLES MODERATE**

CR-EUR units: FR0000980989
CI-EUR units: FR0011294586
GC-EUR units: FR0011605518
CI-CHF [H] units: FR0012243996
CRe-EUR units: FR0013031002
DR-EUR units: FR0013105905
DI-EUR units: FR0013105939
CN-EUR units: FR0013296555

Dear Sir/Madam,

We would like to thank you for the trust that you have placed in us by investing in ODDO BHF EUROPEAN CONVERTIBLES MODERATE (hereinafter the “**Fund**”).

I. The operation

The management company of the Fund, ODDO BHF Asset Management SAS (hereinafter the “**Management Company**”), has decided to change the Fund’s investment strategy in order to integrate the consideration of ESG (environmental, social and governance) criteria into the portfolio security selection process.

In addition, the Management Company has decided to implement new strict exclusions for tobacco and coal mining and coal-based power generation sectors. Likewise, banks that have not committed to a policy that meets international standards for a fossil fuel phase-out and companies that do not respect the UN Global Compact will be excluded.

Besides, the Fund’s name will also be changed to reflect these changes.

To take account of these changes, the prospectus and the key investor information documents for the Fund will be amended, as described below.

This operation is not subject to approval by the AMF.

The Management Company has set 24 March 2021 as the date on which these changes will take effect.

If you do not agree with these changes, you can request the redemption of your units at any time and free of charge. If you agree with these changes, no action is required on your part. Please do not hesitate to contact your usual adviser if you have any questions. As the Management Company does not charge a redemption fee, you may redeem your units free of charge at any time.

The Fund’s investment objective is to to outperform the benchmark index, the Exane ECI Euro Index, over a minimum investment horizon of two years, while also taking into account ESG criteria.

II. Changes resulting from the operation

Risk profile:

- Change to risk/return profile: NO
- Increase in risk/return profile: NO

Fee increase: NO

1. Amendments relating to ESG criteria:

The Fund's investment strategy will change as follows:

	BEFORE	AFTER
Investment strategy	<p>The Fund is managed on an active, discretionary basis and using a fundamental approach that comprises several stages:</p> <ol style="list-style-type: none"> 1. Analysis of the economic climate and markets allowing investment themes to be selected and objectives for market sensitivity ranges to be established. 2. Qualitative analysis of each security, which includes: <ul style="list-style-type: none"> - an assessment of the potential of issuing companies and underlying companies, based on a financial analysis including in particular an assessment of prospects for growth, profitability and solvency, - an analysis of the securities' technical characteristics based on the bond issuance contract and market price. 3. Portfolio construction: weighting of securities in line with range objectives: <ul style="list-style-type: none"> - geographic and sectoral exposure, etc. - average sensitivity to equity risk, credit risk, interest rate risk and volatility. <p>ESG (Environment, Social and Governance) criteria are a complement to the fundamental analysis. The Investment Manager's approach to adopting ESG criteria comprises a "best-in-universe" approach. An internal scoring system</p>	<p>The Fund is managed on an active, discretionary basis and using a fundamental approach.</p> <p>The Fund's investment universe is made up of convertible bonds issued by issuers headquartered in the European Economic Area, the United Kingdom and Switzerland.</p> <p>First, the management team takes into account extra-financial ESG (Environment, Social and Governance) criteria in a significant way, thanks to a selectivity approach leading to the elimination of at least 20% of this universe. This selectivity approach can be broken down into two stages:</p> <p style="text-align: center;">I- First stage: sector exclusion</p> <p>The Fund may not invest in the tobacco and coal mining and coal-based power generation sectors. Likewise, banks that have not committed to a policy that meets international standards for a fossil fuel phase-out will be excluded. Similarly, companies that do not respect the UN Global Compact are strictly excluded.</p> <p style="text-align: center;">II- Second stage: ESG rating</p> <p>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 or from an external non-financial data provider. This rating process once again reduces the Fund's investment universe to obtain an eligible universe:</p> <ol style="list-style-type: none"> 1. companies that are not monitored by our internal model or by our external non-financial data provider are systematically excluded from the investment universe; 2. companies that do not follow our internal model and are assigned an ESG BB rating or below by our external non-financial data provider MSCI ESG Ratings are also systematically excluded from the universe;

	BEFORE	AFTER
	<p>for securities held within the portfolio is used, based on proprietary analysis and external databases.</p> <p>As examples, the following criteria are analyzed:</p> <ul style="list-style-type: none"> - Environment: energy consumption, water consumption, waste management, environmental certifications, environmental value-added products and services, climate risk management ... - Social: human capital (human resources management, diversity of management teams, employee formation, 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 ... <p>To determine the scoring of an issuer, the Management Company will take into consideration each of the ESG criteria identified and analyzed in the conditions set out above, with a special attention to the criteria relating to the "human capital" axis and/or the "corporate governance" axis .</p> <p>This extra-financial scoring system impacts the overall portfolio structure by limiting exposure to issuers exhibiting lower ESG scores and is used to ensure a certain overall ESG quality level of the portfolio. In particular, the average rating of the portfolio shall be equal at least to 3 pursuant</p>	<p>3. finally, companies rated 1 out of 5 on our internal rating scale on the "human capital" and/or "corporate governance" pillars are also systematically excluded from this universe.</p> <p>Our internal ESG analysis process is twofold:</p> <ul style="list-style-type: none"> • "best-in-universe": the management team favours the highest rated issuers regardless of their size and sector of activity. • "best effort": the management team values the progress made over time by issuers, thanks to direct dialogue with them. <p>As part of the company rating process, the following criteria, among others, are analysed:</p> <ul style="list-style-type: none"> - Environmental: energy consumption, water consumption, waste management, environmental certifications, products and services with environmental value-added, climate risk management, etc. - Social: human capital (human resources management, executive team diversity, training, employee health and safety, etc.), supplier management, innovation, etc. - Governance: corporate governance (preservation of minority shareholder's interests, composition of governance bodies, remuneration policy, etc.), fiscal responsibility, exposure to risk of corruption, etc. <p>Close attention is paid to analysing human capital and corporate governance, which account for 30% and 25% of each company's score, regardless of its size or industry. 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.</p> <p>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 non-financial data provider, is integrated into the rating process and directly influences the ESG rating of each company.</p>

	BEFORE	AFTER
	<p>to our internal scoring, thus eliminating at least 20% of the investable universe of the fund.</p>	<p>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).</p> <p>The Management Company pledges that issuers representing at least 90% of the Fund's net assets have an ESG rating. This extra-financial scoring system impacts the overall portfolio structure by limiting exposure to issuers exhibiting lower ESG scores (companies rated 1 out of 5 and 2 out of 5 on our internal rating scale) to a maximum weight of 1/3 of the Fund's net assets 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 equal or above of the benchmark pursuant to our internal scoring.</p> <p>Second, the investment process comprises the following stages:</p> <ol style="list-style-type: none"> 4. Analysis of the economic climate and markets allowing investment themes to be selected and objectives for market sensitivity ranges to be established. 5. Qualitative analysis of each security, which includes: <ul style="list-style-type: none"> - an assessment of the potential of issuing companies and underlying companies, based on a financial analysis including in particular an assessment of prospects for growth, profitability and solvency, - an analysis of the securities' technical characteristics based on the bond issuance contract and market price. 6. Portfolio construction: weighting of securities in line with range objectives: <ul style="list-style-type: none"> - geographic and sectoral exposure, etc. - average sensitivity to equity risk, credit risk, interest rate risk and volatility.

2. Change of name:

The Management Company has decided to change the Fund's name so as to reflect the adjustment to the Fund's investment strategy. The Fund will now be called "ODDO BHF Sustainable European Convertibles".

III. Important information for investors

Please note that it is important to read the Key Investor Information Documents for the Fund, available online in French, English, German, Spanish, Italian and Dutch at <http://am.oddo-bhf.com>; as well as the prospectus, available online in French and English at <http://am.oddo-bhf.com>. You can also obtain these documents by making a written request to ODDO BHF Asset Management SAS - 12, bd de la Madeleine 75009 Paris.

We will be happy to provide you with more information on request. Please do not hesitate to contact your usual financial adviser if you have any questions.

Yours faithfully,

Nicolas CHAPUT
Chairman