



# ODDO BHF Polaris Flexible (formerly BHF Flexible Allocation FT)

ANNUAL REPORT 31 August 2018

Version for public distribution in France

In the case of any discrepancies, the German version shall prevail

# ODDO BHF Polaris Flexible

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# ODDO BHF Polaris Flexible

## Management and administration

### Management Company

ODDO BHF Asset Management Lux  
163, rue du Kiem  
L-8030 Strassen

Postal address:  
B.P. 258  
L-2012 Luxembourg

Tel.: (00352) 457676-1  
Fax: (00352) 458324

Equity: EUR 2.6 million  
As at: 31 December 2017

### Management

Monika Anell

Holger Rech

Karl Stäcker  
Also member of the Board of Directors of  
ODDO BHF Asset Management GmbH, Düsseldorf  
and Member of the Board of BVI  
Bundesverband Investment und Asset  
Management e.V., Frankfurt am Main

### Board of Directors

Karl Stäcker  
Chairman

Guy de Leusse  
as of 27 June 2018  
Also Chief Operating Officer of  
ODDO BHF Asset Management SAS, Paris

Stephan Tiemann  
as of 27 March 2018  
Also director of  
ODDO BHF Asset Management GmbH, Düsseldorf

Wolfgang Marx  
until 20 June 2018  
Also managing director of  
ODDO BHF Asset Management GmbH, Düsseldorf

Sebastian Hofmann-Werther  
until 31 December 2017

As at: 31 August 2018

### Shareholder

ODDO BHF Asset Management GmbH  
Herzogstrasse 15  
D-40217 Düsseldorf

### Auditor

KPMG Luxembourg  
Société coopérative  
Cabinet de révision agréé (certified  
audit firm)  
39, Avenue John F. Kennedy  
L-1855 Luxembourg

### Custodian

CACEIS Bank, Luxembourg Branch  
5, allée Scheffer  
L-2520 Luxembourg

Share capital of CACEIS Bank, Paris:  
EUR 1,273.4 million  
As at: 03 May 2018

### Paying agencies

#### Luxembourg:

CACEIS Bank, Luxembourg Branch  
5, allée Scheffer  
L-2520 Luxembourg

#### Germany:

ODDO BHF Aktiengesellschaft  
Bockenheimer Landstrasse 10  
D-60323 Frankfurt am Main  
and its branch offices

#### Austria:

Deutsche Bank AG  
Vienna branch  
Fleischmarkt 1  
A-1010 Vienna

#### France:

ODDO BHF SCA  
12, boulevard de la Madeleine  
F -75009 Paris

#### Switzerland:

ODDO BHF (Schweiz) AG  
Schulhausstrasse 6  
CH-8002 Zurich

### Representative

#### Switzerland:

ACOLIN Fund Services AG  
Affolternstrasse 56  
CH-8050 Zurich

# ODDO BHF Polaris Flexible

## Disclosures on significant changes

By way of a resolution passed on 21 February 2018, the name was changed to ODDO BHF Flexible Allocation. With the same resolution, the new unit classes DR-EUR and DN-EUR were launched and the BHF Flexible Allocation FT units were transferred to the ODDO BHF Flexible Allocation DR-EUR unit class.

On 8 August 2018, the second unit class ODDO BHF Flexible Allocation DN-EUR was activated.

With effect from 3 December 2018, the Fund was renamed ODDO BHF Polaris Flexible.

With effect from 30 April 2018, the shareholder of FRANKFURT-TRUST Invest Luxembourg AG, FRANKFURT-TRUST Investment-Gesellschaft mbH, was merged with ODDO BHF Asset Management GmbH, Düsseldorf.

The Management Company FRANKFURT-TRUST Invest Luxembourg AG changed its name to ODDO BHF Asset Management Lux with effect from 18 June 2018. At the same time, the Company's registered office was moved from 534, rue de Neudorf, L-2220 Luxembourg to 163, rue du Kiem, L-8030 Strassen.

### Changes relating to the net asset value calculation

With effect from 1 July 2018, the calculation of the net asset values of the funds managed by ODDO BHF Asset Management Lux was outsourced to CACEIS Bank, Luxembourg Branch.

There were no changes in the valuation of the assets.

Two accounting systems were used during the reporting period. ODDO BHF Asset Management Lux assumed responsibility for accounting from 1 September 2017 to 30 June 2018, and responsibility for accounting was assumed by CACEIS Bank, Luxembourg Branch, with effect from 1 July 2018. This resulted in the following changes:

- Transaction costs are recognised as an expense immediately and are no longer included in the cost values of/realised income from the assets, meaning that transaction costs are recognised in the statement of income and expenses. As a result, the total amount is shown as a footnote in the statement of income and expenses.
- While the equalisation of income/expenses is still calculated, it is no longer shown in the annual reports. It is taken into account in this report for the period from 1 September 2017 to 30 June 2018.

# ODDO BHF Polaris Flexible

## Market development and progress report

### Background information

The bull market that began in 2009 has slowly run out of steam in the current financial year. Against the background of inflation fears, but also influenced by technical trading strategies, equity markets experienced a sharp correction at the beginning of February. Then in March, concerns about a global trade war arose from the first protectionist measures by the Trump Administration, which triggered repeated losses on the stock markets. This especially affected export-oriented stocks and sectors. The emerging markets came under pressure due to the Fed's increasingly more restrictive monetary policy.

### ODDO BHF Polaris Flexible

ODDO BHF Polaris Flexible is an asset management fund with a very flexible investment policy and a broad investment spectrum. On the equities side, the Fund invests primarily in individual stocks from Europe and in sector and regional funds with an international focus; it also acquires individual stocks from outside of Europe. On the bonds side, the Fund invests in government and corporate bonds/corresponding funds. Money market investments round off the portfolio. Certificates can also be added to the portfolio. As a general rule, the equity allocation ranges from 25% to 100%. Risk is also actively managed through derivative hedging instruments. Investments are selected and managed on the basis of assessments by the investment consultant ODDO BHF Trust Management Gesellschaft für Vermögensverwaltung mbH. The aim of an investment in ODDO BHF Polaris Flexible is to participate to the greatest extent possible in value growth on stock markets during upward trends and to limit losses during downturns.

The Fund's equity ratio is generally managed very dynamically, in order to exploit different phases of the stock market. Given the positive return prospects for equities despite all of the headwind, the portfolio's equity allocation came to 79% at the end of the reporting period. In challenging market phases, the portfolio was hedged against price losses. We put the equity portfolio together using the most attractive stocks based on our sustainable value approach. In August, for example, we made an investment in the Booking holding company following a significant drop in the share price. We have made a new investment in one of the leading IT security companies, Palo Alto. The three largest equity positions were the British packaging manufacturer DS Smith, the credit card company Visa and the medical technology company Becton Dickinson.

The ODDO BHF Polaris Flexible DR-EUR unit class achieved an increase in value of 6.20% per unit in the financial year. The unit class ODDO BHF Polaris Flexible DN-EUR, which was activated on 8 August 2018, has achieved an increase in value of 0.36% per unit since its activation.

### Benefits

- An investment strategy for managing assets
- Flexible management of the equity quota
- Award-winning investment advisor
- A tried and tested investment process

### Risks

- Value fluctuations and price losses on the equity, bond and currency markets
- Equity quota may be out of line with market phases
- Weaker performance of individual investee funds

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To unitholders in  
ODDO BHF Polaris Flexible (formerly BHF Flexible Allocation FT)  
163, rue du Kiem  
L-8030 Strassen

## **REPORT OF THE CERTIFIED AUDITOR**

### *Report on the audit of the annual financial statements*

#### *Opinion*

We have audited the attached annual financial statements of ODDO BHF Polaris Flexible (formerly BHF Flexible Allocation FT) (the "Fund"), comprising the statement of net assets, securities holdings and other net assets/(liabilities) as at 31 August 2018, the statement of income and expenses and the statement of changes in net fund assets for the financial year ending on that date, as well as the notes thereto, including a summary of key accounting policies.

In our opinion, the attached annual financial statements provide a true and fair view of the assets and financial position of the Fund as at 31 August 2018 and of earnings and changes in net fund assets for the financial year ending on that date, in accordance with the applicable legal regulations and ordinances on the preparation and presentation of annual financial statements in Luxembourg.

#### *Basis for the audit opinion*

We performed our audit of the annual financial statements in accordance with the law on audit activities (Law of 23 July 2016) and based on the international audit standards ("ISA") adopted by the Commission de Surveillance du Secteur Financier ("CSSF") for Luxembourg. Our responsibility under this Law and these Standards with respect to the audit of the financial statements is described in more detail below under "Responsibility of the Certified Auditor". We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") that has been adopted by the CSSF for Luxembourg, together with the professional rules of conduct that we have to adhere to in connection with the audit of the annual financial statements, and have fulfilled all other professional obligations in accordance with these rules of conduct. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Other information*

The Management Company's Board of Directors is responsible for the other information. The other information includes the information set out in the annual report, but does not include the annual financial statements or our report on these annual financial statements as the certified auditor. Our audit opinion on the financial statements does not cover the other information, in respect of which we give no assurance of any kind.

In connection with the audit of the annual financial statements, our responsibility lies in reading the other information and assessing whether there are any material inconsistencies between this information and the annual financial statements or the findings of our audit, and whether the other information otherwise appears to have been significantly misrepresented. If, based on our work, we conclude that the other information contains significant misstatements, we are obliged to report this. We have no matters to report in this regard.

*Responsibility of the Board of Directors of the management company for the annual financial statements*

The Board of Directors of the Management Company is responsible for drawing up the annual financial statements and for their correct overall presentation, in accordance with the applicable legal regulations and ordinances on the preparation and presentation of annual financial statements in Luxembourg, and for performing the internal checks that the Board of Directors of the Management Company considers necessary in order to enable the preparation of annual financial statements that are free from material misstatements, irrespective of whether these are intentional or not.

When preparing the annual financial statements, the Board of Directors of the Management Company is responsible for assessing the Fund's ability to continue as a going concern and – where appropriate – for providing information on matters relating to the Company's status as a going concern and applying the going concern principle as an accounting principle, unless the Board of Directors of the Management Company intends to liquidate the Fund, cease business activities or no longer has any realistic alternative but to do so.

*Responsibility of the Certified Auditor for the audit of the financial statements*

Our objective, when performing our audit, is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material misstatement, be it intentional or not, and to issue a "Report of the Certified Auditor" containing our audit opinion. The term "reasonable assurance" corresponds to a considerable degree of assurance, but is not a guarantee that an audit performed in accordance with the law of 23 July 2016 and the ISAs adopted for Luxembourg by the CSSF will always identify any misstatements. Misstatements can result either from inaccuracies or breaches and are deemed to be material if they can be reasonably assumed, either individually or as a whole, to influence the financial decisions made on the basis of these annual financial statements by its addressees.

In the course of an audit in accordance with the Law of 23 July 2016 and the International Standards on Auditing (ISAs) as adopted for Luxembourg by the CSSF, we exercise our professional judgement and maintain a critical approach.

Furthermore:

- We identify and evaluate the risk of material misstatements in the annual financial statements, be it resulting from inaccuracies or from breaches, plan and perform audit procedures in response to those risks and obtain audit evidence that is sufficient and appropriate to serve as the basis for the audit opinion. The risk that material misstatements will not be discovered is higher in cases involving breaches than in cases involving inaccuracies, as breaches

may involve fraudulent collaboration, falsification, intentional incompleteness, misleading information/the suspension of internal controls.

- We arrive at an understanding of the internal control system that is relevant to the audit of the annual financial statements in order to plan audit activities that are appropriate given the prevailing circumstances, but not with the aim of formulating an audit opinion on the effectiveness of the Fund's internal control system.
- We assess the appropriateness of the accounting principles used by the Management Company's Board of Directors, the estimates that are relevant for accounting purposes and the corresponding notes.
- We draw conclusions as to the appropriateness of the application of the going concern accounting principle by the Management Company's Board of Directors and, on the basis of the audit evidence, check whether there is material uncertainty surrounding events or circumstances that could give rise to significant doubts as to the Fund's ability to continue as a going concern. Should we conclude that a material uncertainty exists, we must refer to the relevant notes on the annual financial statements in our "Report of the Certified Auditor" or, if the disclosures are inadequate, modify our audit opinion. These conclusions are based on the audit evidence obtained up until the date of the "Report of the Certified Auditor". Future events or circumstances can, however, result in the Fund no longer being able to continue as a going concern.
- We assess the overall presentation, structure and content of the annual financial statements, including the notes, and assess whether they provide an appropriate presentation of the underlying transactions and events.

We communicate to the individuals responsible for monitoring, among other things, the planned scope and period of the audit and material audit findings, including material weaknesses in the internal control system identified during our audit.

**Luxembourg, 17 January 2019**

**KPMG Luxembourg  
Société coopérative  
Cabinet de révision agréé (certified audit  
firm)**

**Jan Jansen**



# *ODDO BHF Polaris Flexible*

ODDO BHF Polaris Flexible  
**Statement of net assets as at 31 August 2018**

Composition of net fund assets as at 31 August 2018

*Figures in EUR*

Assets		<b>390,378,916.71</b>
Securities holdings at market value		368,245,075.16
<i>Unrealised gain on fixed assets</i>		<i>43,159,184.27</i>
Variation margin		325,000.00
Bank deposits		19,081,373.09
Cash collateral		1,726,219.70
Interest entitlements		482,100.95
Receivables from subscriptions		110,640.30
Dividend entitlements		334,960.81
Distributions		71,078.70
Other receivables		2,468.00
Liabilities		<b>983,789.60</b>
Subscription tax (taxe d'abonnement)		32,133.71
Liabilities from redemptions		42,467.91
Unrealised net loss from financial futures contracts		325,000.00
Management fee		535,467.59
Custodian fee		33,720.39
Audit fees		15,000.00
Fund assets		<b>389,395,127.11</b>

Key figures

	<i>Year end on:</i>	<b>31/08/2018</b>	<b>31/08/2017</b>	<b>31/08/2016</b>
fund assets	EUR	389,395,127.11	431,718,117.80	557,885,287.49
<b>ODDO BHF Polaris Flexible DR-EUR *</b>		EUR	EUR	EUR
<b>Units with distribution</b>				
Units in issue		4,833,033.000	6,194,499.000	8,247,734.000
Unit value		73.87	69.69	67.64
Dividend per unit		0.14	0.36	0.33
<b>ODDO BHF Polaris Flexible DN-EUR **</b>		EUR	EUR	EUR
<b>Units with distribution</b>				
Units in issue		645,445.000	-	-
Unit value		50.18	-	-

\* Until 31 July 2018, BHF Flexible Allocation FT

\*\* Activation of unit class on 8 August 2018

ODDO BHF Polaris Flexible  
Securities holdings as at 31 August 2018

Figures in EUR

Number Nominal value	Designation	Currency	Cost price	Market value	% of net assets
Securities which are admitted to an official stock exchange or are traded on another regulated market			296,142,806.02	337,917,177.85	86.78
<b>Equities</b>			<b>264,665,525.49</b>	<b>307,173,684.78</b>	<b>86.88</b>
	<i>Belgium</i>		<i>6,940,368.00</i>	<i>6,582,400.00</i>	<i>1.69</i>
80,000	AB INBEV	EUR	6,940,368.00	6,582,400.00	1.69
	<i>Germany</i>		<i>28,467,109.50</i>	<i>31,522,245.00</i>	<i>8.10</i>
53,000	ALLIANZ SE REG SHS	EUR	7,994,954.60	9,839,980.00	2.53
70,000	BECHTLE	EUR	6,213,446.80	6,275,500.00	1.61
80,300	HENKEL AG & CO KGAA	EUR	8,576,067.10	8,941,405.00	2.30
62,000	SAP AG	EUR	5,682,641.00	6,465,360.00	1.66
	<i>Finland</i>		<i>8,412,675.60</i>	<i>9,724,000.00</i>	<i>2.50</i>
220,000	SAMPO OYJ -A-	EUR	8,412,675.60	9,724,000.00	2.50
	<i>France</i>		<i>23,346,599.39</i>	<i>28,159,102.20</i>	<i>7.23</i>
82,119	ATOS	EUR	6,767,689.15	8,523,952.20	2.19
60,000	CAPGEMINI SE	EUR	5,083,822.50	6,717,000.00	1.72
26,500	LVMH	EUR	6,224,779.85	8,217,650.00	2.11
85,000	PUBLICIS GROUPE	EUR	5,270,307.89	4,700,500.00	1.21
	<i>United Kingdom</i>		<i>55,856,529.78</i>	<i>58,163,167.70</i>	<i>14.94</i>
355,000	BHP BILLITON PLC	GBP	5,386,693.67	6,598,995.93	1.69
150,000	BRITISH AMERICAN TOBACCO PLC	GBP	6,723,762.88	6,323,143.86	1.62
400,000	COMPASS GROUP	GBP	7,056,107.43	7,465,833.66	1.92
2,436,363	DS SMITH HOLDING	GBP	13,318,577.20	13,688,318.26	3.53
515,000	PRUDENTIAL PLC	GBP	10,439,421.55	9,985,719.86	2.56
100,000	RECKITT BENCKISER GROUP PLC	GBP	7,792,800.31	7,391,086.07	1.90
290,559	WH SMITH	GBP	5,139,166.74	6,710,070.06	1.72
	<i>Ireland</i>		<i>12,987,593.65</i>	<i>17,801,607.86</i>	<i>4.57</i>
54,172	ACCENTURE - SHS CLASS A	USD	4,373,675.39	7,836,177.88	2.01
120,000	MEDTRONIC HLD	USD	8,613,918.26	9,965,429.98	2.56
	<i>Israel</i>		<i>5,487,944.72</i>	<i>6,000,772.04</i>	<i>1.54</i>
60,000	CHECK POINT SOFTWARE TECHNOLOGIES	USD	5,487,944.72	6,000,772.04	1.54
	<i>Italy</i>		<i>7,545,216.98</i>	<i>6,946,000.00</i>	<i>1.78</i>
230,000	RECORDATI SPA	EUR	7,545,216.98	6,946,000.00	1.78
	<i>Channel Islands</i>		<i>4,236,912.81</i>	<i>6,052,069.50</i>	<i>1.55</i>
280,350	EXPERIAN GROUP	GBP	4,236,912.81	6,052,069.50	1.55
	<i>Netherlands</i>		<i>16,850,975.29</i>	<i>20,846,715.00</i>	<i>5.35</i>
68,000	HEINEKEN NV	EUR	6,030,877.77	5,830,320.00	1.50
430,000	RELX NV	EUR	6,803,183.55	8,262,450.00	2.12
122,799	WOLTERS KLUWER	EUR	4,016,913.97	6,753,945.00	1.73
	<i>Sweden</i>		<i>4,494,024.71</i>	<i>6,655,186.99</i>	<i>1.71</i>
214,416	ATLAS COPCO --- REGISTERED SHS -B-	SEK	4,494,024.71	4,900,965.96	1.26
214,416	EPIROC -REGISTERED SHS	SEK	0.00	1,754,221.03	0.45
	<i>United States of America</i>		<i>90,039,575.06</i>	<i>108,720,418.48</i>	<i>27.92</i>
107,000	ACTIVISION BLIZZARD	USD	5,962,804.25	6,801,372.51	1.75
6,000	ALPHABET -C-	USD	6,466,485.84	6,377,628.14	1.64
48,000	APPLE INC	USD	7,650,631.60	9,265,657.30	2.38
52,862	BECTON DICKINSON	USD	8,561,874.14	11,804,448.50	3.03
3,700	BOOKING HLDG	USD	6,024,635.25	6,170,105.08	1.58
165,000	CHURCH AND DWIGHT CO	USD	7,281,126.77	7,980,012.87	2.05
141,000	CISCO SYSTEMS INC	USD	4,334,563.82	5,702,895.13	1.46
36,000	ELECTRONIC ARTS - REGISTERED	USD	4,040,977.38	3,580,390.31	0.92
96,000	JOHNSON AND JOHNSON	USD	8,846,323.36	11,113,188.93	2.85
105,000	MICROSOFT CORP	USD	6,502,299.63	10,083,422.69	2.59
83,000	NASDAQ	USD	5,627,296.80	6,728,286.51	1.73
22,300	PALO ALTO NET	USD	4,078,369.82	4,404,333.69	1.13
102,000	VISA INC -A-	USD	9,160,660.25	12,839,356.64	3.30
36,000	WATERS	USD	5,501,526.15	5,869,320.18	1.51
<b>Bonds</b>			<b>31,477,280.53</b>	<b>30,743,493.08</b>	<b>7.90</b>
	<i>Germany</i>		<i>12,243,061.29</i>	<i>12,128,796.89</i>	<i>3.12</i>
6,034,000	LANXESS FINANCE 2.625 12-22 21/11A	EUR	6,693,732.34	6,610,790.06	1.70
5,229,000	MAHLE GMBH REGS 2.375 15-22 20/05A	EUR	5,549,328.95	5,518,006.83	1.42
	<i>Luxembourg</i>		<i>7,988,086.00</i>	<i>7,258,740.00</i>	<i>1.86</i>
5,000,000	FMC FIN III 6.50 11-18 15/09S	EUR	5,667,043.00	5,013,400.00	1.28
2,000,000	FMC FIN VII REG S5.25 11-21 15/02S	EUR	2,321,043.00	2,245,340.00	0.58

The attached notes form an integral part of this report

ODDO BHF Polaris Flexible  
Securities holdings as at 31 August 2018

*Figures in EUR*

Number Nominal value	Designation	Currency	Cost price	Market value	% of net assets
	<i>United States of America</i>		<b>11,246,133.24</b>	<b>11,355,956.19</b>	<b>2.92</b>
7,500,000	ALLIANCE DATA SYSTEMS 4.50 17-22 15/03S	EUR	7,645,491.70	7,724,625.00	1.99
1,385,000	BECTON DICKINSON A 1.00 16-22 15/12A	EUR	1,380,152.50	1,396,176.95	0.36
2,222,000	BERKSHIRE HATHAWAY 0.25 17-21 17/01A	EUR	2,220,489.04	2,235,154.24	0.57
Shares/units from UCITS/UCIs			28,943,084.87	30,327,897.31	7.79
	<b>Shares/units from investment funds</b>		<b>28,943,084.87</b>	<b>30,327,897.31</b>	<b>7.79</b>
	<i>Germany</i>		<b>5,364,693.75</b>	<b>6,047,500.00</b>	<b>1.55</b>
50,000	VM STERN TALER II	EUR	5,364,693.75	6,047,500.00	1.55
	<i>France</i>		<b>8,380,400.00</b>	<b>8,472,880.00</b>	<b>2.18</b>
8,000	ODDO HT RDM 23 -CI EUR- 3 DEC	EUR	8,380,400.00	8,472,880.00	2.18
	<i>Ireland</i>		<b>6,662,066.46</b>	<b>5,695,117.31</b>	<b>1.46</b>
100,000	SPDR BAR EMG MK ETF USD	USD	6,662,066.46	5,695,117.31	1.46
	<i>Luxembourg</i>		<b>8,535,924.66</b>	<b>10,112,400.00</b>	<b>2.60</b>
120,000	FT EMERGING CONSUMERDEMAND (I-EUR )	EUR	8,535,924.66	10,112,400.00	2.60
<b>Total holdings in securities</b>			<b>325,085,890.89</b>	<b>368,245,075.16</b>	<b>94.57</b>
<b>Bank deposits</b>				<b>19,081,373.09</b>	<b>4.90</b>
<b>Other net assets/(liabilities)</b>				<b>2,068,678.86</b>	<b>0.53</b>
<b>Fund assets</b>				<b>389,395,127.11</b>	<b>100.00</b>

# ODDO BHF Polaris Flexible

Statement of changes in securities holdings from 1 September 2017 to 31 August 2018

Designation	Purchases	Disposals	Bonus shares
<b>Equities</b>			
AB INBEV	120,000	115,000	0
ACCENTURE - SHS CLASS A	22,000	30,000	0
ACTIVISION BLIZZARD	132,000	25,000	0
ADYEN --- PARTS SOCIALES	367	367	0
ALLIANZ SE REG SHS	0	10,000	0
ALPHABET -C-	19,850	13,850	0
ALTEN SA	0	80,000	0
ANALOG DEVICES INC	103,000	103,000	0
APPLE INC	103,000	55,000	0
APPLIED MATERIALS INC	150,000	150,000	0
ATLAS COPCO --- REGISTERED SHS -B-	214,416	0	0
ATLAS COPCO AB -B-	0	399,416	0
ATOS	30,119	61,000	0
AXA SA	0	276,000	0
BECHTLE	70,000	160,000	0
BECTON DICKINSON	8,000	14,000	0
BHP BILLITON PLC	220,000	405,000	0
BOOKING HLDG	3,700	0	0
BRITISH AMERICAN TOBACCO PLC	285,000	135,000	0
BROADRIDGE FINANCIAL SOL -W/I	90,000	90,000	0
CAPGEMINI SE	0	45,000	0
CHECK POINT SOFTWARE TECHNOLOGIES	60,000	80,000	0
CHURCH AND DWIGHT CO	80,000	70,000	0
CISCO SYSTEMS INC	235,000	94,000	0
COMPASS GROUP	400,000	0	0
DS SMITH HOLDING	2,436,363	0	0
ELECTRONIC ARTS - REGISTERED	36,000	0	0
EPIROC -REGISTERED SHS	0	0	214,416
EUROFINS SCIENTIFIC	16,000	16,000	0
EXPERIAN GROUP	90,000	530,000	0
HEINEKEN NV	68,000	0	0
HENKEL AG & CO KGAA	0	18,000	0
IMPERIAL BRANDS - REGISTERED	0	189,175	0
ING GROEP	820,000	820,000	0
INGENICO GROUP	80,000	80,000	0
JOHNSON AND JOHNSON	36,200	0	0
L'OREAL SA	45,000	82,740	0
LVMH	20,000	21,000	0
MEDTRONIC HLD	130,000	10,000	0
MICROSOFT CORP	0	11,000	0
NASDAQ	83,000	0	0
ORACLE CORP	0	170,000	0
PALO ALTO NET	22,300	0	0
PRICELINE GROUP	0	4,500	0
PRUDENTIAL PLC	550,000	35,000	0
PUBLICIS GROUPE	170,000	187,437	0
RECKITT BENCKISER GROUP PLC	33,516	10,000	0
RECORDATI SPA	255,000	25,000	0
RELX NV	200,000	315,000	0
RYANAIR HLDGS	0	355,000	0
SAMPO OYJ -A-	0	50,000	0
SAP AG	68,000	6,000	0
SIGNIFY -REGISTERED SHS	0	250,000	0
SODEXHO SA	43,000	109,026	0
TEXAS INSTRUMENTS INC	0	100,000	0
VISA INC -A-	32,000	10,000	0
WATERS	12,000	20,000	0
WH SMITH	60,000	180,000	0
WOLTERS KLUWER	100,000	168,000	0
WPP 2012 PLC	0	308,000	0
<b>Shares/units from investment funds</b>			
FT EMERGING CONSUMERDEMAND (I-EUR )	0	26,000	0
SPDR BAR EMG MK ETF USD	0	95,000	0
VM STERN TALER II	0	30,000	0

The attached notes form an integral part of this report

# ODDO BHF Polaris Flexible

## Statement of changes in securities holdings from 1 September 2017 to 31 August 2018

Designation	Purchases	Disposals	Bonus shares
<b>Options</b>			
DAX    DEC 12200 18.12.17 PUT	0	580	0
DAX    SEP 12200 18.09.17 PUT	0	580	0
<b>Bonds</b>			
CANADA GOVERNMENT    1.625 14-19 27/02S	0	3,500,000	0
KFW                    1.125 15-18 06/08S	0	7,000,000	0
NESTLE HOLDINGS REGS 1.375 13-18 24/07A	0	3,000,000	0
<b>Floating rate bonds</b>			
BAYER SUB            FL.R 14-75 01/07A	6,000,000	6,000,000	0

**Information on the economic sectors covered by the securities holdings**

<b>Breakdown by sector</b>	<b>Portfolio %</b>
Internet and Internet services	17.72
Holding companies and financial companies	12.77
Pharmaceuticals and cosmetics	11.20
Insurance	8.02
Various consumer goods	6.60
Office supplies and calculating machines	6.16
Various services	5.61
Graphics and publications	5.35
Tobacco and alcohol	5.09
Packaging industry	3.72
Investment funds	3.19
Textiles and fabrics	2.23
Hotels and restaurants	2.03
Retail and department stores	1.82
Mechanical engineering	1.81
Chemicals	1.80
Heavy industry	1.79
Electronics and semiconductors	1.59
Automotive industry	1.50
	<b>100.00</b>

# ODDO BHF Polaris Flexible

## Statement of income and expenses and statement of changes in net assets for the period from 1 September 2017 to 31 August 2018

Figures in EUR

Income item	<b>7,536,907.05</b>
Dividends	6,317,577.13
Income from investment funds	409,566.17
Interest on securities	1,105,148.78
Interest on bank balances	2,678.70
Interest from refunds of withholding tax	46,349.85
Income from portfolio commission	1,913.78
Income equalisation on income	-346,327.36
Expense item	<b>7,011,762.17</b>
Management fee	6,327,057.91
Custodian fee	423,104.39
Subscription tax (taxe d'abonnement)	199,241.99
Interest expenses from bank balances	171,583.62
Regulatory authorities' fees	11,922.75
Transaction costs*	128,218.7
Audit fees	103,473.28
Publication costs	24,347.54
Risk measurement	183.75
Expense equalisation on expenses	-384,950.06
Other expenses	7,578.21
Ordinary net result	<b>525,144.88</b>
Realised gains	35,678,673.65
Realised losses	-25,079,205.65
Net realised gain	<b>11,124,612.88</b>
Net change in unrealised gains/losses	
Net change in unrealised gains	14,031,695.39
Income equalisation	-354,454.55
Increase in net assets due to business activity	<b>24,801,853.72</b>
Distribution for previous year	-860,765.50
Cash inflow from the sale of unit certificates	77,050,434.17
Cash outflow from the redemption of unit certificates	-143,314,513.08
Decrease/increase in net assets	<b>-42,322,990.69</b>
Net assets at the beginning of the year	<b>431,718,117.80</b>
Net assets at the end of the year	<b>389,395,127.11</b>

\*While fund accounting was being performed by ODDO BHF Asset Management, transaction costs were treated differently. These were not recognised directly in the statement of income and expenses from 1 September 2017 to 30 June 2018. Transaction costs of EUR 679,788.72 were incurred for this period. This means that the transaction costs incurred by the Fund during the financial year totalled EUR 808,007.51.



*ODDO BHF Polaris Flexible*  
**Notes on the report - list of derivative  
instruments**

## ODDO BHF Polaris Flexible

### FINANCIAL FUTURES CONTRACTS

The following financial futures contracts were outstanding as at 31 August 2018:

#### ODDO BHF Polaris Flexible

<u>Holdings</u> <u>Purchase/sale Designation</u>	<u>Currency</u>	Obligation in EUR Absolute value	Unrealised gains/losses in EUR	Broker
<b>Index futures contract</b>				
-700 DJ EURO STOXX 50 09/18	EUR	24,010,000.00	-325,000.00	CACEIS Bank, Paris
			<b>-325,000.00</b>	

# *ODDO BHF Polaris Flexible*

**Further notes on the report**

# ODDO BHF Polaris Flexible

## Further notes on the report

The ODDO BHF Polaris Flexible fund was launched on 1 August 2012 under Part I of the Luxembourg law of 17 December 2010.

The fund's accounts are kept in euros (EUR).

In this respect:

- Assets that are officially listed on a stock exchange are valued at the last available closing price;
- Assets that are not officially listed on a stock exchange but are traded on a regulated markets or on other organised markets shall also be valued at the last available closing price;
- Assets that are not listed on a stock market or included in another organised market or for which no tradable price is available are valued at their current reasonable market value based on a careful assessment using appropriate valuation models and taking into account current market conditions;
- Assets whose prices are not in line with the market and all other assets are valued at the probable liquidation value, which must be determined with caution and in good faith;
- Cash is valued at its nominal value plus accrued interest;
- Investment units are valued at the last redemption price that has been determined and can be obtained;
- Fixed-term deposits are valued at the agreed return, provided an agreement whereby the fixed-term deposit may be terminated at any time has been concluded between the Management Company and the financial institution holding the fixed-term deposits in custody and the agreed return corresponds to the liquidation value;
- Assets that are not denominated in the fund currency are converted into the fund currency at the mean rate of exchange for the previous day.

### Notes on the ordinary net result

For the last financial year, the ODDO BHF Polaris Flexible DR-EUR unit class generated an ordinary net result of EUR 0.16 per unit, and the ODDO BHF Polaris Flexible DN-EUR unit class generated an ordinary net result of EUR -0.01 per unit.

### Notes on appropriation of profit

As at 15 October 2018, a distribution of EUR 0.4389 per unit was made for the ODDO BHF Polaris Flexible DR-EUR unit class and a distribution of EUR 0.1269 per unit was made for the ODDO BHF Polaris Flexible DN-EUR unit class.

### Securities prices/market rates

Fund assets are valued based on the prices/market rates below:

<b>Security type</b>	<b>Price date</b>
Equities	30/08/2018
Bonds	30/08/2018
Investment funds	29/08/2018 and 30/08/2018
Derivatives	30/08/2018

### Exchange rates as at 30

British pound	(GBP) 0.89635	=	1 EUR
Swedish krona	(SEK) 10.62900	=	1 EUR
US dollar	(USD) 1.16575	=	1 EUR

# ODDO BHF Polaris Flexible

## Further notes on the report

### Risk procedures

As part of the risk management process, the commitment approach was used to limit market risks for the Fund during the period under review. In this calculation method, the derivative positions of the Fund are converted into the corresponding underlying equivalents based on the delta approach and are valued accordingly. The sum of the underlying equivalents must not exceed the net asset value of the fund.

### Disclosures pursuant to Point 40 of the “Guidelines on ETFs and Other UCITS issues” issued by the European Securities and Markets Authority (ESMA)

There were no transactions within the meaning of the above Directive at the end of the period under review.

### Total expense ratio

			TER in %
ODDO BHF Polaris Flexible DR-EUR	EUR	LU0319572730	1.69
ODDO BHF Polaris Flexible DN-EUR	EUR	LU1807158784	n/a

“n/a” refers to unit classes that have been active for less than three months.

Total expense ratio (TER) = total costs (management fees, custodian fees, audit and publication costs, subscription tax and regulatory authorities' fees) divided by the management fees paid, multiplied by the management fees as a percentage of the average fund volume.

# ODDO BHF Polaris Flexible

## Further notes on the report

### Disclosures pursuant to EU Regulation 2015/2365 on the transparency of securities financing transactions and re-use (SFTR disclosures unaudited)

At the end of the reporting period, there were no transactions within the meaning of the above-mentioned Directive.

### Disclosures on employee remuneration (unaudited)

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<b>Total amount of employee remuneration paid in the last financial year (1 Jan. - 31. Dec 2017) to employees at the Management Company</b>	<b>EUR thou. 1,486</b>
Of which fixed remuneration	EUR thou. 1,295
Of which variable remuneration	EUR thou. 191
Number of employees at the Management Company	Number 17

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<b>Total amount of remuneration paid in the last financial year (1 Jan. - 31. Dec 2017) at the Management Company to managers and other risk takers</b>	<b>EUR thou. 656</b>
Of which managers	EUR thou. 656
Of which other risk takers	EUR thou. 0

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### Description of how remuneration and any other benefits have been calculated

ODDO BHF Asset Management Lux is integrated into the remuneration system of ODDO BHF Aktiengesellschaft. ODDO BHF Aktiengesellschaft is subject to the German Remuneration Ordinance for Institutions (Institutsvergütungsverordnung – InstitutsVergV) and has drawn up a unified, group-wide remuneration strategy. Responsibility for organising and implementing remuneration systems for employees lies with the management of ODDO BHF Asset Management Lux.

Total remuneration for employees of ODDO BHF Asset Management Lux consists of a fixed component and an optional variable component.

Fixed remuneration comprises basic pay, the amount of which is judged to be adequate and which is based on the qualifications and activities of the employee or manager.

In addition to their basic pay, employees and managers of ODDO BHF Asset Management Lux can receive variable remuneration that is linked to performance and results. The main parameters used to calculate variable remuneration are the business performance of ODDO BHF Aktiengesellschaft or ODDO BHF Asset Management Lux and the individual employee's performance and achievement of targets within his/her own area of responsibility.

Variable remuneration is set for employees by the management and for managers by the Board of Directors of ODDO BHF Asset Management Lux.

For employees of ODDO BHF Asset Management Lux, variable remuneration is paid annually in arrears as a one-off payment, generally in April of the following financial year.

In accordance with the requirements of the law of 17 December 2010 on undertakings for collective investment (as amended from time to time), in conjunction with applicable guidelines and publications of the European Securities and Markets Authority (ESMA) in the field of remuneration, ODDO BHF Asset Management Lux has identified employees who have a material impact on the risk profile of ODDO BHF Asset Management Lux (known as "risk takers").

## ODDO BHF Polaris Flexible

### **Further notes on the report**

Members of management are regarded as risk takers at ODDO BHF Asset Management Lux. According to the results of the risk analysis conducted by ODDO BHF Asset Management Lux to identify risk takers, no other employees are currently able to have a material impact on ODDO BHF Asset Management Lux or the funds that it manages.

Payroll accounting for the 2017 financial year was used as the data source for calculating the amounts shown above.

#### **Results of the annual review of the remuneration policy**

The remuneration system for employees is reviewed once a year with the human resources department to ensure that it complies with the business and risk strategy and with regulatory provisions and company rules, and is adjusted if necessary.

#### **Disclosures on significant changes in the specified remuneration policy**

There were no significant changes to the specified remuneration policy in the last financial year.