

October 31, 2019

# ODDO BHF Active Small Cap



CR-EUR - Eur | FUNDAMENTAL EQUITIES - SMALL CAP - EUROPE - OPPORTUNITIES

Assets Under Management 200.7 M€  
NAV per Unit 177.00€  
Evolution vs M-1 2.59€

Morningstar category :  
Europe Small-Cap Equity  
★★★ Morningstar™ at 9/30/19

① ② ③ ④ ⑤ ⑥ ⑦  
Risk/return scale (1)

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

FR IT CHE DEU AUT ESP SWE LUX CL

### Portfolio Managers

Guillaume CHIEUSSE, Maxime PRODHOMME,  
Antoine  
AUGIER DE LAJALLET

### Key features

Benchmark: MSCI Europe Small Cap Hedged Euro (NR)

Recommended investment horizon: 5 Years

Inception date of the fund: 11/26/13

Initial date of performance: 11/26/13

Legal structure	French FCP
ISIN code	FR0011606268
Bloomberg code	ODASCCR FP
Currency	Euro
Dividend policy	Accumulation units
Minimum (initial) investment	100 EUR
Subscription fees	4 % (maximum)
Redemption fees	Nil
Management fees	Up to 2.10% (inclusive of tax) of the net assets.
Performance fees	20% (inclusive of tax) of the Fund's outperformance relative to the benchmark, provided that the Fund's performance is positive.
Ongoing charges	2.22%
Management company	ODDO BHF AM SAS
Custodian	ODDO BHF SCA, France (Paris)
Administration and Accounting	EFA
Subscriptions/ redemptions	11:15am D
NAV calculation frequency	Daily
Transaction fees	Transaction fees are listed in the prospectus and may be applied in addition to the fees shown above.

### Technical and risk indicators\*

	3 years	5 years
Jensen's Alpha	-4.67%	-1.09%
Sharpe ratio	0.32	0.74
Information ratio	-0.53	-0.02
Tracking Error	5.94%	5.54%
Beta	1.20	1.09
Correlation	0.93	0.93

### Investment strategy

At least 75% of the fund is invested in equity securities issued by small and intermediate companies in Europe, its aim being to outperform the MSCI Europe Small Cap Hedged Euro (NR) index over a minimum investment period of five years. Through active management, it seeks to select the best opportunities among the shares of growth companies – structural growth, restructuring. It can also invest, depending on the economic environment, on the theme of mergers and acquisitions. In portfolio construction, management focuses on the momentum, liquidity and valuation of securities (reasonable prices).

### Annual performance (rolling 12 months)

from	10/31/14	10/30/15	10/31/16	10/31/17	10/31/18
to	10/30/15	10/31/16	10/31/17	10/31/18	10/31/19
Fund	35.2%	3.3%	29.9%	-18.2%	10.1%
Benchmark	22.0%	4.7%	25.1%	-6.1%	8.0%

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

### Calendar performance (from January 01 to December 31)

	2014	2015	2016	2017	2018
Fund	10.1%	35.1%	2.0%	24.4%	-27.9%
Benchmark	4.1%	19.9%	6.0%	21.7%	-15.9%

### Performance Analysis

	Annualized performance			Cumulative performance					
	3 years	5 years	Inception	1 month	YTD	1 year	3 years	5 years	Inception
Fund	5.4%	10.3%	10.1%	1.5%	25.3%	10.1%	17.1%	63.6%	77.0%
Benchmark	8.3%	10.1%	9.0%	1.9%	19.3%	8.0%	26.9%	62.2%	66.7%

### Change in performance since inception (base 100)



### Annualized volatility

	1 year	3 years	5 years
Fund	18.04%	15.07%	14.81%
Benchmark	13.72%	11.74%	12.64%

\*Definitions of the financial indicators used are available for download on the website [www.am.oddo-bhf.com](http://www.am.oddo-bhf.com) under the heading "Regulatory information".

Sources : ODDO BHF AM SAS, Bloomberg, Morningstar®

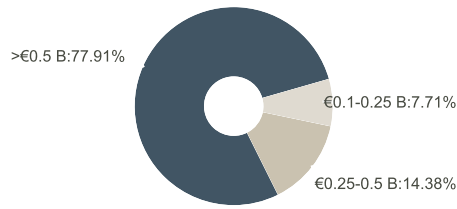
(1) Risk/return scale in a range from 1 (lowest risk) to 7 (highest risk). This indicator is not constant and is updated if the risk/reward profile of the fund changes over time. The lowest category does not mean a risk-free investment. Historical data, such as is used to calculate the risk/return ratio, may not be a reliable indication of the future risk profile of the Fund. There is no guarantee that the management objectives in terms of risk and return will actually be met.

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## Market cap breakdown



Average capitalization: 1.4 Billions €

## Portfolio manager comment

The markets started October in the red owing to the poor economic statistics published in Europe and the United States. However, a rapid recovery brought gains of 1.08% for the EURO STOXX 50 NR, 0.50% for the DJ STOXX 50 NR and 2.14% for the MSCI Europe Smid Cap NR by the end of the month. The rise was largely driven by cyclical, while the automotive sector deserves a special mention for rallying by 6.9% over the month.

Grounds for optimism were all interlinked: the prospect of (at the very least) a trade deal between the United States and China, the long-awaited Brexit deal reached thanks to a compromise on a trade border between the European Union and the UK down the Irish Sea, a strong start to the quarterly reporting season, and lastly ongoing accommodative policy at central banks. A prime example of the latter came at the end of the month when the Fed announced its third rate cut.

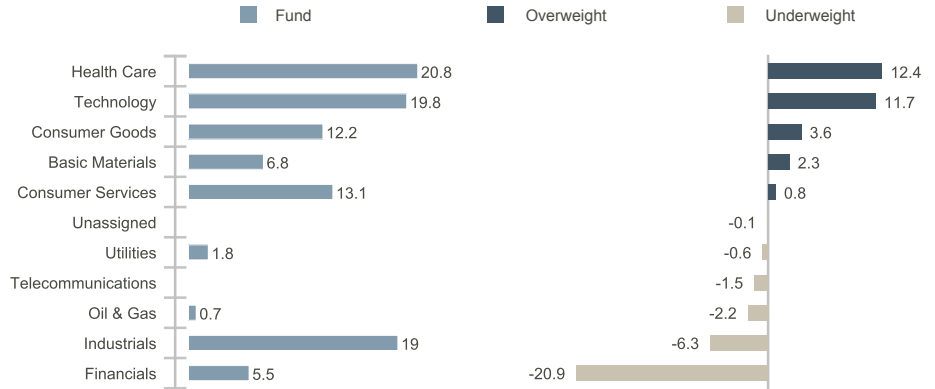
In the United States, the S&P 500 and the Nasdaq hit record highs. In addition to the widespread income growth generated by the US economy, which has paved the way for the emergence of new giants in the technology and health care sectors over the last two decades, the indices are receiving a boost from stock buybacks, which were worth in excess of USD 1 trillion again this year. For example, the consolidated income of Apple Inc. may have been USD 55.3 billion for the financial year ended 30 September 2019, but the company has only grown by 3% over the last four years. Meanwhile, EPS has leapt by 28%.

Of the stocks representing more than 1% of the portfolio, the following posted gains of more than 5%: Revenio (health care, Finland), LISI (industries, France) and BE Semiconductor Industries (semi-conductors, Netherlands). Conversely, CellaVision (health care, Sweden), Embracer Group (video games, Sweden) and Mips (technology, Sweden) posted some of the sharpest falls.

The fund favours companies with undervalued growth profiles offering an attractive risk/return ratio. The average stock market capitalisation is stable at EUR 1.4 billion.

This month, we wish to highlight one of the newest entries to the fund: LISI. The company is a global leader in the manufacture of fasteners (pins, clips, etc.) for the aerospace (57% of turnover and 71% EBIT in 2018), automotive (35% and 25%) and medical (8% and 4%) sectors. The group's aerospace division also designs structure components (40% of the turnover of LISI AEROSPACE). After three difficult quarters, the group reached an inflection point in the second quarter of 2019 and this was borne out in the third quarter. Since late 2017, the group has suffered as a result of Airbus destocking the A350 programme. It has also had to contend with the slowdown on the automotive market and constraints associated with the new WLTP standard in Europe. Given the history of the group and its management team, we had every confidence in its ability to bounce back. LISI achieved a flawless third quarter with figures outstripping the market's expectations and has raised its organic growth and cash generation forecasts.

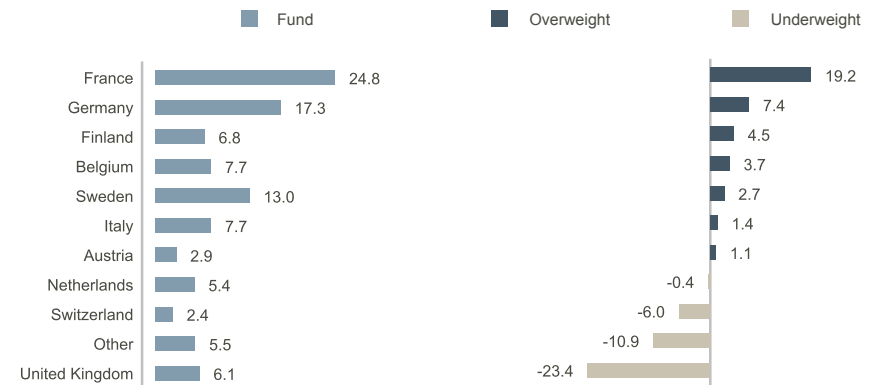
## Sector breakdown: portfolio vs benchmark (%)



Money market 0.3%

MSCI Europe Small Cap Hedged Euro (NR)

## Geographic breakdown: portfolio vs benchmark (%)



Money market 0.3%

MSCI Europe Small Cap Hedged Euro (NR)

## Main equity portfolio holdings

Security name	Weight*	Weight**	Sector	Country
Robertet Sa	3.41%		Basic Materials	France
Tokmanni Group Corp	3.09%	0.05%	Consumer Services	Finland
Dermapharm Holding Se	2.94%		Health Care	Germany
Barco N.V.	2.67%	0.15%	Industrials	Belgium
Fagron	2.52%	0.09%	Health Care	Belgium
Virbac Sa	2.50%	0.08%	Health Care	France
Homeserve Plc	2.49%	0.35%	Industrials	United Kingdom
Sesa Spa	2.48%	0.03%	Technology	Italy
Solutions 30 Se	2.19%	0.06%	Technology	Luxembourg
Nexus Ag	2.09%		Technology	Germany
Number of equity holdings		64	* Fund	** Benchmark

**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, risk associated with commitments on forward financial instruments, counterparty risk, liquidity risk of underlying assets, risk associated with holding small and medium capitalisations, risks associated with securities financing transactions and collateral management and on an ancillary basis currency risk, emerging markets risk

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ODDO BHF Asset Management SAS

Portfolio management company incorporated as a société par actions simplifiée (simplified joint -stock company), with capital of €9,500,000. Approved by the AMF under number GP 99011. Trade Register (RCS) 340 902 857 Paris. 12 boulevard de la Madeleine – 75440 Paris Cedex 09 France – Phone: 33 (0)1 44 51 85 00

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