



ODDO BHF EUROPEAN BANKS

UCITS under Directive 2014/91/EU

Annual Report at 28 June 2019

Management Company: Oddo BHF Asset Management

Custodian: Oddo BHF SCA

Administration and accounting delegated to: EFA

Statutory auditor: MAZARS

Asset management company incorporated in the form of a *société par actions simplifiée* (simplified joint stock company) with share capital of EUR 7,500,000

Approved by the *Autorité des marchés financiers* under the number GP 99011 - RCS 340 902 857 Paris
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1. INFORMATION ON INVESTMENTS AND MANAGEMENT OF THE FUND

1.1 Classification

The Fund is an International Equities fund.

1.2 Investment objective

The Fund aims to outperform the Stoxx Europe 600 Banks Net Return index over a minimum investment horizon of five years.

1.3 Tax regime

The Fund is eligible for the French Equity Savings Plan (*Plan d'Epargne en Actions* or PEA) as well as for life insurance policies.

As of 1 July 2014, the Fund shall be governed by the provisions of Appendix II, point II.B. of the Agreement (IGA) signed on 14 November 2013 between the government of the French Republic and the government of the United States of America so as to improve compliance with tax obligations at an international level and implement the act governing compliance with these obligations for foreign accounts (FATCA).

This annual report does not purport to set out the tax implications for investors of subscribing, redeeming, holding or selling the Fund's units. These implications will vary, depending on the laws and practices that apply in the country of residence, domicile or incorporation of the unitholders and on their personal situations.

Depending on your tax status, your country of residence or the jurisdiction from which you invest in the Fund, any capital gains and income resulting from the holding of units of the Fund may be subject to taxation. We advise you to consult a tax advisor in relation to the potential consequences of purchasing, holding, selling or redeeming units of the Fund according to the laws of your country of tax residence, ordinary residence or domicile.

Neither the Management Company nor the promoters shall accept any responsibility whatsoever for any tax consequences that may arise for investors following a decision to purchase, hold, sell or redeem units of the Fund.

1.4 Regulatory information

- The Fund does not hold any financial instruments issued by companies linked to the Oddo BHF group.
- UCITS held by the Fund and managed by the management company at the Fund's reporting date: see annual financial statements in the appendices.
- **Overall risk calculation method for the Fund:** the method chosen by Oddo BHF Asset Management to measure the overall risk to the Fund is the commitment approach.
- **Environmental, social and governance criteria:**
The Fund does not take the three criteria relating to compliance with environmental, social and governance (ESG) objectives into account simultaneously. Full information about ESG criteria can be accessed on the Oddo BHF Asset Management website at the following address: www.am.oddo-bhf.com.
- Within the framework of its risk management policy, the portfolio management company establishes, implements and maintains a risk management policy and procedures that are effective, appropriate and

documented, thereby allowing risks associated with its activities, processes and systems to be identified.

For further information, please consult the KIID of this UCI, and particularly the “Risk and reward profile” section, or its full prospectus, which are available on request from the management company or on the website www.am.oddo-bhf.com.

- Proportion of assets invested in securities or rights eligible for the French Equity Savings Plan (*Plan d'Épargne en Actions* or PEA): 87.58%

1.5 Code of ethics

- **Management of intermediaries**
The management company has implemented a policy for the selection and evaluation of intermediaries and counterparties. The evaluation criteria used are intermediary fees, quality of execution in view of market conditions, quality of investment advice, quality of research and analysis documents and quality of back-office execution. This policy may be consulted on the management company’s website at www.am.oddo-bhf.com.
- **Brokerage fees**
FCP unitholders can consult the document entitled “Report on brokerage fees” on the management company’s website, www.am.oddo-bhf.com.
- **Voting rights**
No voting rights are attributed to unitholders, decisions concerning the Fund being taken by the Management Company. The voting rights attached to the securities held by the Fund are exercised by the Management Company, which has the sole power to take decisions, pursuant to regulations in force. The Management Company’s voting policy may be consulted at its registered office or online at www.am.oddo-bhf.com, in accordance with article 314-100 of the AMF General Regulation.
- **Information on the remuneration policy**
Regulatory information on remuneration is appended to this report.

1.6 Information on the efficient investment techniques and derivatives used in the fund

The Oddo BHF European Banks fund did not use efficient investment techniques or derivatives during the financial year.

1.7 Changes during the financial year

None

1.8 SFTR reporting

Securities financing transactions in accordance with the SFTR: the fund did not engage in securities financing transactions during the financial year ended 28 June 2019.

2. MANAGEMENT REPORT

2.1 Macroeconomic climate and equity market performances in 2018–19

The Oddo BHF European Banks fund, which was launched on 7 December 2011 (A units) completed its seventh full financial year on 30 June 2019.

The STOXX 600 posted fairly flat performance over the year, with a gain of just 0.60% compared with 10.5% for the S&P 500. 2019 EPS forecasts for the two indices were downgraded by 7.0% and 2.5% respectively, in particular as a result of concern surrounding economic growth in the wake of the trade war. Oil prices fell by 14% over the same period, whereas gold achieved a 16% rise thanks to its ongoing status as a safe haven asset. Expectations of an economic slowdown in the US on the one hand, coupled with an ongoing accommodative monetary policy and persistent low levels of inflation in Europe on the other hand, kept yields on their downward trajectory. Hence, the US 10-year yield dropped from 2.86% to 2.02% whereas that of Germany fell from 0.30% to -0.32%.

From end-June 2018 to end-July 2018, the sector narrowly outperformed the market (by 1.3%). The outlook for the market took a turn for the worse in early August when the President of the United States, Donald Trump, raised import tariffs (25% vs 10%) on USD 200 billion of Chinese exports. This move reinforced the idea that a trade war was underway and sparked fears of an economic slowdown. In response, the performance of the banking sector – the archetypal cyclical – diverged from that of the rest of the market. By the end of August, the sector was lagging behind the market by 4.1%.

From October 2018, fraught discussions between the Italian government and the European Commission regarding the budget deficit trajectory kept up the pressure on the sector. A deal was eventually struck between the two parties in late December, setting a target of 2.04% for 2019 whereas the Italian government had pushed for 2.4%.

On 5 December 2018, the Canadian authorities announced the arrest of Meng Wanzhou, CFO of Chinese telecoms giant Huawei. The arrest had taken place on 1 December in Vancouver, Canada, at the request of the US authorities, which were calling for her extradition. The primary accusation against her is that she violated US sanctions against Iran. The news sparked fears of an escalation in the trade war and maintained the pressure on the sector, especially against the backdrop of political turmoil in Europe. With concerns over global economic growth mounting, the Fed chair's decision to raise rates by 25 bps was poorly received by the market – especially when he then suggested that further hikes were planned for 2019. Ultimately, political tension and fears surrounding economic growth kept the banking sector under such pressure that it was 6.7% lower than the market by the end of December 2018.

Whereas 2018 had ended on a difficult note, the start of 2019 brought fresh momentum for European equities. This strong performance is primarily attributable to external factors, including: 1) the resumption of trade negotiations between the US and China; 2) a series of pro-growth measures announced in China (in particular its decision to reduce its reserve ratio requirement by 100 bps); 3) a more accommodative stance on the part of the Federal Reserve Chair as regards the pace of rate hikes and the reduction of the Fed's balance sheet and 4) hopes of a Brexit deal. While the banking sector benefited from the recovery, its underperformance relative to the market widened to 8.30% at end-February 2019. This was mainly as a result of low interest rates and concern in relation to economic growth.

At its March 2019 meeting, the ECB downgraded its growth and inflation forecasts, stating that its key rates were likely to remain unchanged until at least the end of 2019, and announced plans for a further round of TLTRO. These announcements effectively ruled out the prospect of a rate hike in 2019 and pushed the banking sector's underperformance relative to the market to 14% at end-March 2019.

Improved leading indicators (PMI figures) and corporate earnings publications then helped the banking sector to close the gap slightly (to 10.72% at end-April 2019).

Donald Trump's announcement on 5 May 2019 of a 10–25% increase in tariffs on USD 200 billion in Chinese goods took the market by storm and marked the beginning of the turnaround. At the same time, PMI figures were disappointing in the United States and China and very mixed in Europe, compounding fears about economic growth. Lastly, Theresa May's failure to agree a Brexit deal led to her resignation. This uncertain environment undermined the performance of the banking sector, which was trailing the market by 15.3% at end-May 2019. The gap had grown to 18.5% by end-June 2019; this underperformance was largely driven by fears surrounding economic growth.

2.2 Performance

Against this extremely turbulent and uncertain backdrop, characterised by multiple sources of economic, political and regulatory uncertainty that persisted throughout the financial year, Oddo European Banks turned in a very negative performance of -13.25%. This represented a slight outperformance (0.07%) relative to its benchmark.

For comparison, the STOXX 50 NR grew by 5.25% over the same period.

Unit	Annual performance	Benchmark index
ODDO BHF EUROPEAN BANKS CI-EUR	-13.25%	-13.32%
ODDO BHF EUROPEAN BANKS CN-EUR	-	
ODDO BHF EUROPEAN BANKS CR-EUR	-14.11%	
ODDO BHF EUROPEAN BANKS GC-EUR	-13.25%	

Please note that past performance is not an indication of future results. Performance may vary over time.

2.3 Transactions

Our stock-picking strategy consisted initially of overweighting defensive stocks in response to the prevailing economic uncertainty. We also ensured that we were significantly underweight on HSBC (2% of the fund vs 18% of the benchmark), given its exposure to the trade war. However, over the first six months of the year, Oddo BHF European Banks underperformed its benchmark by 2.4%. This underperformance was due to: 1) being underweight on HSBC, which became a safe haven asset in the context of Brexit; 2) being overweight on Danske Bank, whose performance was hit after revelations of money laundering and 3) being overweight on Natixis, whose performance was hampered after a profit warning was issued in December 2018.

Between January and the end of June 2019, Oddo BHF European Banks outperformed its benchmark by 2.4% to end the tax year with performance largely in line with that of the latter. This outperformance was directly attributable to our decision to underweight Nordic stocks in light of the risk of money laundering. We also opted to reduce our HSBC underweight as the prospect of a deal being reached to end the trade war increased. Lastly, we increased our exposure to UK stocks when a favourable Brexit deal appeared likely.

The cash component totalled less than 3% of the fund's assets for the duration of the period.

As regards individual securities, we added seven lines and closed two, taking the number of lines in the portfolio from 28 to 33. This portfolio rotation primarily reflects our strategy of diversifying into insurance (especially AXA, Phoenix and Poste Italiane) as well as asset management and similar companies (FincoBank, Partners Group and Tikehau).

In terms of individual performance, BNP Paribas, Société Générale, Swedbank, AXA and Nordea Bank were the best contributors.

Conversely, Natixis, Danske Bank, ABN AMRO, UniCredit and Wirecard hampered the fund's performance.

Portfolio	Stock	Purchase	Disposal	Currency
Oddo BHF European Banks	HSBC Holdings Plc	3,976,102.80		EUR
Oddo BHF European Banks	Lloyds Banking Group Plc	2,951,685.08		EUR
Oddo BHF European Banks	ING Groep NV	2,875,334.15		EUR
Oddo BHF European Banks	BNP Paribas SA A	2,798,686.24		EUR
Oddo BHF European Banks	ABN AMRO Group NV DR		2,586,469.94	EUR
Oddo BHF European Banks	Société Générale SA		2,365,439.25	EUR
Oddo BHF European Banks	Banco Bilbao Vizcaya Argent SA Reg	2,360,474.26		EUR
Oddo BHF European Banks	Swedbank AB A		2,208,079.61	EUR
Oddo BHF European Banks	Natixis	2,142,163.74		EUR
Oddo BHF European Banks	AXA SA	2,075,334.34		EUR

2.4 Outlook for 2019/2020

We expect the next few quarters to be somewhat volatile for the banking sector:

- Trade war and Brexit deals would result in a fall in the risk premium and a potential improvement in the macroeconomic outlook. In this scenario, we would expect a substantial revaluation of the banking sector.
- While the Fed decided not to change its key interest rates in June, any cuts in H2 2019 would decrease the likelihood of rate hikes in Europe. In this context, the sector would remain under pressure as a result of weak growth prospects and the low probability of improved profitability.
- Discussions between the European Commission and Italy regarding the Italian budget deficit in 2020 are likely to generate a degree of volatility, as happened in 2018. This would prompt investors to continue to steer clear of Italian banking stocks.
- On the regulatory front, banks are looking ahead to the final Basel IV agreement being enacted in European law. While the market is well aware of the macro-level impact of this legislation, the way it is applied at individual banks could lead to surprises and even banking sector consolidation.

3. ANNUAL FINANCIAL STATEMENTS OF THE FUND

Asset management company incorporated in the form of a *société par actions simplifiée* (simplified joint stock company) with share capital of EUR 7,500,000

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Statutory Auditor's Report on the Annual Financial Statements

Dear unitholders of the Oddo BHF European Banks FCP,

Opinion

Following our appointment by the management company, we have audited the annual financial statements of the Oddo BHF European Banks FCP for the financial year ended 28 June 2019, which are appended to this report.

In our opinion, the annual financial statements, in accordance with French accounting rules and principles, give a true and fair view of the financial position and assets and liabilities of the FCP and of the results of its operations at the end of the financial year.

Basis for the opinion

Audit framework

We have conducted our audit in accordance with professional standards applicable in France. We consider that the evidence gathered is pertinent and sufficient to serve as a basis for our opinion.

Our responsibilities in light of these standards are described in this report in the section entitled “Responsibilities of the statutory auditor in relation to auditing the annual financial statements”.

Independence

We carried out our audit in accordance with the independence rules applicable to us, for the period from 30 June 2018 to the date on which our report was issued. In particular, we refrained from providing the services prohibited by the code of ethics of the statutory audit industry.

Justification of assessments

In accordance with the provisions of articles L.823-9 and R.823-7 of the French Commercial Code regarding the justification of our assessments, we hereby inform you that our most important assessments, in our professional opinion, were focused on the appropriateness of the accounting principles applied, particularly as regards the financial instruments in the portfolio, and on whether all accounts were presented as per the accounting standards applicable to undertakings for collective investment with variable capital.

The evaluations were made in the context of the audit of the annual financial statements, taken as a whole, and the formation of the opinion expressed herein. We have not therefore expressed an opinion regarding individual items in the annual financial statements.

Specific verifications

We have also carried out the specific verifications required by laws and regulations in accordance with the professional auditing standards applicable in France.

We have no comment as to the fair presentation and conformity with the annual financial statements of the information given in the management company's management report.

Responsibilities of management and the corporate governance hierarchy in relation to the annual financial statements

The management company is responsible for drawing up annual financial statements giving a fair view in accordance with French accounting rules and standards, as well as implementing the internal control system it deems necessary for the drafting of annual financial statements free of material misstatements, whether as a result of fraud or error.

When drawing up the annual financial statements, it is incumbent upon the management company to evaluate the ability of the fund to continue its operations, to present in these financial statements, where applicable, the necessary information regarding continuity of operations and to apply the going concern accounting principle, unless there is a plan to wind up the FCP or end its activities.

The annual financial statements were prepared by the management company.

Responsibilities of the statutory auditor in relation to auditing the annual financial statements

It is our responsibility to draft a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements, viewed in their entirety, are free of material misstatement. Reasonable assurance constitutes a high level of assurance, although not a guarantee, that an audit carried out in accordance with the standards of professional conduct allows for the systematic detection of material misstatements. Such misstatements may result from fraud or error and are considered to be material when it is reasonable to expect that they may, taken individually or collectively, influence economic decisions that readers of the financial statements may make based on them.

As stipulated in article L.823-10-1 of the French Commercial Code, our certification of the financial statements does not constitute a guarantee of the viability or quality of the management of your FCP.

As part of an audit carried out in accordance with the standards of professional conduct applicable in France, the statutory auditor shall exercise its professional judgement throughout this audit. Furthermore:

- It identifies and evaluates the risk that the annual financial statements may include material misstatement, whether resulting from fraud or error, defines and implements auditing procedures in response to these risks, and gathers the items it deems sufficient and appropriate as a basis for its opinion. The risk of material misstatement not being detected is considerably higher when it is the result of fraud rather than error, since fraud may involve collusion, falsification, voluntary omissions, false declarations or the circumvention of the internal control system;
- It assesses the internal control system that is relevant for the audit in order to define audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the internal control system;
- It evaluates the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by the management, as well as the related information in the annual financial statements;
- It evaluates the appropriateness of the management company's application of the going concern accounting principle and, based on the information gathered, the existence or absence of significant uncertainty linked to events or circumstances likely to cast doubt on the FCP's ability to continue its operations. This evaluation is based on the information gathered prior to the date of its report; however, it should be noted that subsequent circumstances or events may cast doubt on the continuity of its operations. If it concludes that significant uncertainty exists, it draws the attention of readers of its report to the information provided in the annual financial statements giving rise to this uncertainty or, if this information has not been provided or is not relevant, it certifies the annual financial statements with reservations or refuses to certify them;

**FCP (French
Common Fund)
Oddo BHF
European Banks**

*Financial year
ended
28 June 2019*

- It assesses the presentation of all of the annual financial statements and evaluates whether or not the annual financial statements depict the underlying operations and events fairly.

Courbevoie, 7 October 2019

Statutory Auditor

Mazars:

[signature]

Gilles DUNAND-ROUX

BALANCE SHEET - ASSETS AT 28/06/2019 IN EUR

	28/06/2019	29/06/2018
Net fixed assets	0.00	0.00
Deposits	0.00	0.00
Financial instruments	54,561,257.87	57,403,468.74
Equities and similar securities	54,561,257.87	57,403,468.74
Traded on a regulated or similar market	54,561,257.87	57,403,468.74
Not traded on a regulated or similar market	0.00	0.00
Bonds and similar securities	0.00	0.00
Traded on a regulated or similar market	0.00	0.00
Not traded on a regulated or similar market	0.00	0.00
Debt securities	0.00	0.00
Traded on a regulated or similar market	0.00	0.00
<i>Transferable debt securities</i>	0.00	0.00
<i>Other debt securities</i>	0.00	0.00
Not traded on a regulated or similar market	0.00	0.00
Undertakings for collective investment	0.00	0.00
Standard UCITS and AIFs aimed at non-professional investors and equivalent funds of other countries	0.00	0.00
Other Funds aimed at non-professional investors and equivalent funds of other European Union Member States	0.00	0.00
Standard professional investment funds and equivalent funds of other European Union Member States and listed securitisation funds	0.00	0.00
Other professional investment funds and equivalent funds of other European Union Member States and unlisted securitisation funds	0.00	0.00
Temporary transactions on securities	0.00	0.00
Receivables on financial securities received under a repurchase agreement (<i>pension</i>)	0.00	0.00
Receivables on financial securities lent	0.00	0.00
Financial securities borrowed	0.00	0.00
Financial securities transferred under a repurchase agreement (<i>pension</i>)	0.00	0.00
Other temporary transactions	0.00	0.00
Financial contracts		
Transactions on a regulated or similar market	0.00	0.00
Other transactions	0.00	0.00
Other financial instruments	0.00	0.00
Receivables	16,366,502.32	16,652.76
Currency forward exchange contracts	16,315,646.15	0.00
Other	50,856.17	16,652.76
Financial accounts	417,647.96	49,043.33
Cash	417,647.96	49,043.33
Total assets	71,345,408.15	57,469,164.83

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BALANCE SHEET - LIABILITIES AT 28/06/2019 IN EUR

	28/06/2019	29/06/2018
Equity capital		
Share capital	59,512,347.16	55,493,955.96
Previous undistributed net capital gains and losses (a)	0.00	0.00
Retained earnings (a)	0.00	0.00
Net capital gains and losses for the financial year (a, b)	-6,715,375.42	561,092.83
Profit/loss for the financial year (a, b)	1,952,333.94	1,302,701.51
Total equity capital	54,749,305.68	57,357,750.30
(= Amount corresponding to the net assets)		
Financial instruments	0.00	0.00
Sales of financial instruments	0.00	0.00
Temporary transactions on financial securities	0.00	0.00
Payables on financial securities transferred under a repurchase agreement (<i>pension</i>)	0.00	0.00
Payables on financial securities borrowed	0.00	0.00
Other temporary transactions	0.00	0.00
Financial contracts	0.00	0.00
Transactions on a regulated or similar market	0.00	0.00
Other transactions	0.00	0.00
Payables	16,596,102.47	107,674.51
Currency forward exchange contracts	16,346,488.85	0.00
Other	249,613.62	107,674.51
Financial accounts	0.00	3,740.02
Short-term bank loans	0.00	3,740.02
Borrowings	0.00	0.00
Total liabilities	71,345,408.15	57,469,164.83

(a) Including equalisation accounts

(b) Less interim dividends paid for the financial year

OFF-BALANCE SHEET ITEMS AT 28/06/2019 IN EUR

	28/06/2019	29/06/2018
Hedging transactions		
Commitments on regulated or similar markets		
OTC commitments		
Other commitments		
Other transactions		
Commitments on regulated or similar markets		
OTC commitments		
Other commitments		

INCOME STATEMENT AT 28/06/2019 IN EUR

	28/06/2019	29/06/2018
Income from financial transactions		
Income from deposits and financial accounts	0.00	0.00
Income from equities and similar securities	2,754,077.49	2,781,144.64
Income from bonds and similar securities	0.00	0.00
Income from debt securities	0.00	0.00
Income from temporary purchases and sales of financial securities	0.00	0.00
Income from financial contracts	0.00	0.00
Other financial income	0.00	0.00
TOTAL (I)	2,754,077.49	2,781,144.64
Payables on financial transactions		
Payables on temporary purchases and sales of financial securities	0.00	0.00
Payables on financial contracts	0.00	0.00
Payables on financial debts	0.00	0.00
Other payables	0.00	0.00
TOTAL (II)	0.00	0.00
Income resulting from financial transactions (I - II)	2,754,077.49	2,781,144.64
Other income (III)	0.00	0.00
Management fees and depreciation allowance (IV)	859,113.65	1,180,980.23
Net income for the year (L. 214-17-1)(I - II + III - IV)	1,894,963.84	1,600,164.41
Income equalisation for the financial year (V)	57,370.10	-297,462.90
Interim dividends paid from income for the financial year (VI)	0.00	0.00
Profit(loss) (I - II + III - IV +/- V - VI)	1,952,333.94	1,302,701.51

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APPENDICES

The Fund has complied with the accounting rules prescribed by the regulations in force and, in particular, with the accounting standards applicable to UCITS.

The annual financial statements are presented in accordance with the provisions of ANC Regulation 2014-01, as amended.

The accounting currency is the euro.

ASSET VALUATION AND ACCOUNTING RULES

Asset valuation rules:

The calculation of the net asset value per unit is subject to the following valuation rules:

- Financial instruments and transferable securities traded on regulated markets are valued at their market price using the following principles:
- The valuation is based on the last official market price.

The market price used depends on the market on which the instrument is listed:

European markets: Last market price on the net asset value calculation day

Asian markets: Last market price on the net asset value calculation day

North and South American markets: Last market price on the net asset value calculation day

The prices used are those known the following day at 9:00 (Paris time) and collected from financial information providers: Fininfo or Bloomberg. In the event that no price is available for a security, the last known price is used.

However, the following instruments are valued using the following specific valuation methods:

- financial instruments that are not traded on a regulated market are valued under the Management Company's responsibility at their foreseeable sale prices.

In particular, transferable debt securities and similar securities that are not traded in large volumes are valued by means of an actuarial method; the reference rate used is that applied to issues of equivalent securities plus or minus, where applicable, a differential reflecting the issuer's specific characteristics. Nevertheless, transferable debt securities with low sensitivity and a residual maturity of less than or equal to three months may be valued using the straight-line method.

- financial contracts (futures, options or swap transactions concluded on over-the-counter markets) are valued at their market value or at a value estimated according to the terms and conditions determined by the Management Company. The method for valuing off-balance sheet commitments consists in valuing futures contracts at their market price and in converting options into the equivalent value of the underlying.

- Financial guarantees: in order to limit counterparty risk as much as possible while also factoring in operational constraints, the Management Company applies a daily margin call system, per fund and per counterparty, with an activation threshold set at a maximum of EUR 100,000 based on an evaluation of the mark-to-market price.

Deposits are recorded based on their nominal value plus the interest calculated daily using the Eonia.

The prices used for the valuation of futures or options are consistent with those of the underlying securities. They may vary depending on where they are listed:

European markets:	Last market price on the net asset value calculation day
Asian markets:	Last market price on the net asset value calculation day
North and South American markets:	Last market price on the net asset value calculation day

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In the event that no price is available for a future or option contract, the last known price is used.

Securities subject to a temporary acquisition or sale agreement are valued in accordance with the regulations in force. Securities received under repurchase agreements are recorded on their acquisition date under the heading "Receivables on securities received under a repurchase agreement (pension)" at the value fixed in the contract by the counterparty of the liquidity account concerned. For as long as they are held they are recognised at that value plus the accrued interest from the securities in custody.

Securities transferred under repurchase agreements are withdrawn from their account on the date of the transaction and the corresponding receivable is booked under the heading "Securities transferred under a repurchase agreement (*pension*)"; they are valued at their market value. Payables on securities transferred under repurchase agreements are recorded under the heading "Payables on securities transferred under a repurchase agreement (*pension*)" by the counterparty of the liquidity account concerned. It is maintained at the value determined in the contract plus any accrued interest on the debt.

- Other instruments: Units or shares of UCIs are valued at their last known net asset value.

- Financial instruments whose prices have not been determined on the valuation day or whose prices have been adjusted are valued under the management company's responsibility at their foreseeable sale prices. These valuations and their justification are communicated to the statutory auditor at the time of the audit.

Accounting methods:

Income accounting:

The interest on bonds and debt securities is calculated using the accrued interest method.

Transaction cost accounting:

Transactions are recorded excluding fees.

Allocation of distributable income (income and capital gains):

The net income for the financial year is equal to the amount of interest, arrears, dividends, premiums and prizes, and directors' fees as well as all income generated by the securities held in the portfolio of the Fund, plus income generated by temporary cash holdings, less management fees and borrowing costs.

The distributable income consists of:

- The net income for the financial year plus retained earnings, plus or minus the balance of the income equalisation accounts for the last financial year.

- The realised capital gains, net of fees, minus realised capital losses, net of fees, recorded during the financial year, plus net capital gains of the same kind recorded during previous financial years and that have not been subject to distribution or accumulation, plus or minus the balance of the capital gains equalisation accounts.

The Management Company decides on the allocation of distributable income.

For each unit class, where applicable, the Fund may adopt one of the following methods:

- pure accumulation: distributable income shall be fully accumulated, with the exception of those amounts which are subject to compulsory distribution by law;

- pure distribution: income shall be partially or fully distributed, rounded off to the nearest figure; the Fund may pay interim dividends;

- for FCPs that wish to choose whether to accumulate and/or distribute income: The management company decides on the allocation of distributable income each year.

The Management Company decides on the allocation of distributable income according to the distribution of income provided for in the prospectus and may pay interim dividends where applicable.

INFORMATION ON FEES, EXPENSES AND TAXATION
Management and administration fees

Fees charged to the Fund	Basis	Maximum rate CR-EUR, CI-EUR, GC-EUR and CN-EUR units
Financial management fees and administrative fees not payable to the Management Company (statutory auditor, custodian, distributors, lawyers)	Net assets	CR-EUR units: 2% inclusive of tax CI-EUR units: 1% inclusive of tax GC-EUR units: 1% inclusive of tax CN-EUR units: 1.25% inclusive of tax
Performance fee (1)	Net assets	20%, inclusive of tax, of the Fund's outperformance relative to its benchmark (the Stoxx Europe 600 Banks Net Return in euros, with dividends reinvested), provided that the Fund's performance is positive.
Transaction fees charged by third parties: - Management Company: 100%	Payable on each transaction	- Equities: 0.59% maximum, inclusive of taxes, with a minimum of EUR 7.50 excluding taxes for French equities and EUR 50 excluding taxes for foreign equities; - Bonds: 0.03% inclusive of taxes, with a minimum of EUR 7.50 excluding taxes; - Derivatives: none.

(1) Performance fee: a performance fee based on a comparison between the Fund's performance and that of the benchmark index over the reference period.

- The performance fee calculation method seeks to determine the "value created by the manager" in absolute terms: this means comparing sums received (i.e. subscriptions) with sums returned (i.e. redemptions) + assets under management (i.e. the total net asset value).

- Sums received are represented by the "indexed NAV" (or fictitious fund), which is the point of comparison. The indexed NAV is calculated in the same manner as a meter: each time the net asset value is calculated, subscriptions from T-1 are indexed using the performance of the comparison index from T-1 to T. This gives us a theoretical NAV, on the basis of which each subscription is immediately invested in the comparison index. The performance fee provision amount is not linked to the amount of subscriptions: for example, if the book NAV rises by EUR 1 million (following a subscription), the indexed NAV will rise by the same amount, meaning the performance fee provision amount is unaltered.

In the event of redemption, the outperformance linked with redemptions shall be subject to a specific provision, separate from the provision for outperformance on assets under management. The outperformance linked to redemptions is defined as a proportion (i.e. the number of units redeemed divided by the total number of units) of the outperformance on assets under management. It is metered and clearly shows the provision for outperformance related to redemptions. The indexed NAV is also adjusted by the redemption ratio. Hence, in the case of redemptions, the provision corresponding to the outperformance of the total NAV is transferred to the provision corresponding to the outperformance of the redeemed shares. However, the total provision is not linked to the amount of redemptions. The outperformance provision linked to redemptions is definitively allocated to the management company and deducted at the end of the financial year.

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The Fund's performance is determined on the basis of its book value after taking into account fixed management fees and before deduction of the performance fee.

In the event that the Fund underperforms its benchmark index between two net asset values, any previously accumulated provision shall be reduced accordingly. The amounts deducted from the provision cannot exceed the amount previously accumulated.

This variable fee will only be definitively transferred at the end of the reference period and only if, over the reference period, the Fund's performance is positive. It is deducted from the last NAV calculation of the financial year and paid annually to the Management Company, provided that on that date the reference period is at least equal to one year.

A detailed description of the method used to calculate the performance fee may be obtained from the Management Company.

Once the Fund records a positive performance that exceeds that of its benchmark index in a given reference period, a provision of a maximum of 20% of this outperformance is established upon each NAV calculation.

1. CHANGES IN NET ASSETS AT 28/06/2019 IN EUR

	28/06/2019	29/06/2018
Net assets at the beginning of the financial year	57,357,750.30	64,293,029.46
Subscriptions (including subscription fees paid to the Fund)	41,940,736.14	64,438,234.79
Redemptions (after deduction of the redemption fees paid to the Fund)	-36,033,046.00	-62,428,884.18
Realised gains on deposits and financial instruments	690,396.55	3,099,107.25
Realised losses on deposits and financial instruments	-6,944,179.96	-1,207,092.17
Realised gains on financial contracts	484,106.95	0.00
Realised losses on financial contracts	-102,380.57	0.00
Transaction costs	-401,702.97	-294,301.16
Foreign exchange differences	65,522.89	-653,269.04
Changes in the valuation differential of deposits and financial instruments	-4,172,018.79	-11,489,239.06
<i>Valuation differential in year N:</i>	-8,504,637.07	-4,332,618.28
<i>Valuation differential in year N-1:</i>	-4,332,618.28	7,156,620.78
Changes in the valuation differential of financial contracts	-30,842.70	0.00
<i>Valuation differential in year N:</i>	-30,842.70	0.00
<i>Valuation differential in year N-1:</i>	0.00	0.00
Distribution in previous year from net capital gains and losses	0.00	0.00
Dividends paid in the previous financial year from income	0.00	0.00
Net profit/loss for the financial year prior to the income equalisation account	1,894,963.84	1,600,164.41
Interim dividend(s) paid during the financial year from net capital gains and losses	0.00	0.00
Interim dividend(s) paid during the financial year from profit	0.00	0.00
Other items (*)	0.00	0.00
Net assets at the end of the financial year	54,749,305.68	57,357,750.30

(*) The UCITS will provide a detailed explanation of this line (contributions from mergers, payments received under capital and/or performance guarantees)

2. FURTHER INFORMATION

2.1. BREAKDOWN BY LEGAL OR ECONOMIC NATURE OF THE FINANCIAL INSTRUMENTS

	Name of securities	Amount	%
Assets			
Bonds and similar securities			
Total bonds and similar securities		0.00	0.00
Debt securities			
Total debt securities		0.00	0.00
Total assets		0.00	0.00
Liabilities			
Sales of financial instruments			
Total sales of financial instruments		0.00	0.00
Total liabilities		0.00	0.00
Off-balance sheet			
Hedging transactions			
Total hedging transactions		0.00	0.00
Other transactions			
Total other transactions		0.00	0.00
Total off-balance sheet		0.00	0.00

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2.2. BREAKDOWN BY TYPE OF INTEREST RATES FOR ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS

	Fixed rate	%	Variable rate	%	Adjustable rate	%	Other	%
Assets								
Deposits								
Bonds and similar securities								
Debt securities								
Temporary transactions on financial securities								
Financial accounts							417,647.96	0.76
Liabilities								
Temporary transactions on financial securities								
Financial accounts								
Off-balance sheet								
Hedging transactions								
Other transactions								

2.3. BREAKDOWN BY RESIDUAL MATURITY OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS

	0 - 3 months]	%]3 months - 1 year]	%]1 - 3 years]	%]3 - 5 years]	%	> 5 years	%
Assets										
Deposits										
Bonds and similar securities										
Debt securities										
Temporary transactions on securities										
Financial accounts	417,647.96	0.76								
Liabilities										
Temporary transactions on securities										
Financial accounts										
Off-balance sheet										
Hedging transactions										
Other transactions										

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2.4. BREAKDOWN BY LISTING OR VALUATION CURRENCY OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS

	Currency 1	%	Currency 2	%	Currency 3	%	Currencies Other	%
	GBP	GBP	CHF	CHF	DKK	DKK		
Assets								
Deposits								
Equities and similar securities	9,531,846.65	17.41	6,611,414.40	12.08	615,767.42	1.12	342,629.74	0.63
Bonds and similar securities								
Debt securities								
UCIs								
Temporary transactions on securities								
Financial contracts								
Receivables	142,037.10	0.26	68,256.15	0.12			40,824.10	0.07
Financial accounts	7,823.57	0.01	10,144.77	0.02	790.25	0.00	14,471.59	0.03
Liabilities								
Sales of financial instruments								
Temporary transactions on securities								
Financial contracts								
Payables	9,605,175.87	17.54	6,530,956.46	11.93				
Financial accounts								
Off-balance sheet								
Hedging transactions								
Other transactions								

2.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Type of debit/credit	28/06/2019
Total receivables	Forward transactions	16,315,646.15
	Coupons and dividends	40,824.10
	Other receivables	10,032.07
		16,366,502.32
Total debts	Forward transactions	16,346,488.85
	Other payables	190,327.22
	Proven for external charges	59,286.40
		16,596,102.47
Total debts and receivables		-229,600.15

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2.6. EQUITY CAPITAL

2.6.1. Number of securities issued or redeemed

	In units	As amount
CR-EUR UNITS		
Securities subscribed during the year	108,105.212	15,266,934.27
Securities redeemed during the year	-130,177.73	-17,662,357.79
Subscriptions/redemptions (net)	-22,072.518	-2,395,423.58

	In units	As amount
CI-EUR UNITS		
Securities subscribed during the year	143.884	16,190,538.43
Securities redeemed during the year	-65.425	-7,340,669.15
Subscriptions/redemptions (net)	78.459	8,849,869.28

	In units	As amount
GC-EUR UNITS		
Securities subscribed during the year	41,683.643	3,557,979.18
Securities redeemed during the year	-53,621.804	-4,693,861.58
Subscriptions/redemptions (net)	-11,938.161	-1,135,882.40

	In units	As amount
CN-EUR UNITS		
Securities subscribed during the year	79,270.701	6,925,284.26
Securities redeemed during the year	-72,813.72	-6,336,157.48
Subscriptions/redemptions (net)	6,456.981	589,126.78

2.6.2. Subscription and/or redemption fees

	As amount
CR-EUR UNITS	
Subscription and/or redemption fees received	1,498.94
Subscription fees received	1,498.94
Redemption fees received	0.00
Subscription and/or redemption fees paid to third parties	1,498.94
Subscription fees paid to third parties	1,498.94
Redemption fees paid to third parties	0.00
Subscription and/or redemption fees retained	0.00
Subscription fees retained	0.00
Redemption fees retained	0.00

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	As amount
CR-EUR UNITS	

	As amount
CI-EUR UNITS	
Subscription and/or redemption fees received	0.00
Subscription fees received	0.00
Redemption fees received	0.00
Subscription and/or redemption fees paid to third parties	0.00
Subscription fees paid to third parties	0.00
Redemption fees paid to third parties	0.00
Subscription and/or redemption fees retained	0.00
Subscription fees retained	0.00
Redemption fees retained	0.00

	As amount
GC-EUR UNITS	
Subscription and/or redemption fees received	442.33
Subscription fees received	442.33
Redemption fees received	0.00
Subscription and/or redemption fees paid to third parties	442.33
Subscription fees paid to third parties	442.33
Redemption fees paid to third parties	0.00
Subscription and/or redemption fees retained	0.00
Subscription fees retained	0.00
Redemption fees retained	0.00

	As amount
CN-EUR UNITS	
Subscription and/or redemption fees received	0.00
Subscription fees received	0.00
Redemption fees received	0.00
Subscription and/or redemption fees paid to third parties	0.00
Subscription fees paid to third parties	0.00
Redemption fees paid to third parties	0.00
Subscription and/or redemption fees retained	0.00
Subscription fees retained	0.00
Redemption fees retained	0.00

2.6.3. Management fees

	28/06/2019
CR-EUR UNITS	
Percentage of fixed management fees	2.00
Management and administration fees	571,559.73
Performance fee	81.98
Management fees paid to third parties	0.00

	28/06/2019
CI-EUR UNITS	
Percentage of fixed management fees	1.00
Management and administration fees	223,710.79
Performance fee	0.85
Management fees paid to third parties	0.00

	28/06/2019
GC-EUR UNITS	
Percentage of fixed management fees	1.00
Management and administration fees	36,160.04
Performance fee	16.85
Management fees paid to third parties	0.00

	28/06/2019
CN-EUR UNITS	
Percentage of fixed management fees	1.24
Management and administration fees	27,583.41
Performance fee	0.00
Management fees paid to third parties	0.00

2.7. COMMITMENTS RECEIVED AND GIVEN

2.7.1. GUARANTEES RECEIVED BY THE UCITS:

None

2.7.2. OTHER COMMITMENTS RECEIVED AND/OR GIVEN:

None

2.8. OTHER INFORMATION

2.8.1. Current values of financial instruments subject to a temporary purchase transaction

	28/06/2019
Securities acquired under repurchase options	0.00
Securities acquired under a repurchase agreement	0.00
Securities borrowed	0.00

2.8.2. Current values of financial instruments serving as guarantee deposits

	28/06/2019
Financial instruments used as a guarantee and kept as original entry	0.00
Financial instruments received as a guarantee and not recorded on the balance sheet	0.00

2.8.3. Financial instruments held in the portfolio issued by entities associated with the management company or with the financial managers, and UCITS managed by these entities

	28/06/2019
Equities	0.00
Bonds	0.00
Transferable debt securities	0.00
UCITS	0.00
Forward financial instruments	0.00
Total group securities	0.00

2.9. DISTRIBUTABLE INCOME ALLOCATION TABLE

Interim dividends paid for the financial year						
	Date	Unit	Total amount	Amount per unit	Total tax credits	Tax credit per unit
Total interim dividends			0	0	0	0

Interim payments from net capital gains or losses for the financial year					
	Date	Unit code	Unit name	Total amount	Amount per unit
Total interim dividends				0	0

Table showing the allocation of distributable income from profit (6)	28/06/2019	29/06/2018
Amounts to be allocated		
Retained earnings	0.00	0.00
Profit/loss	1,952,333.94	1,302,701.51
Total	1,952,333.94	1,302,701.51

	28/06/2019	29/06/2018
CR-EUR UNITS		
Allocation		
Distribution	0.00	0.00
Retained earnings for the financial year	0.00	0.00
Accumulation	713,316.14	561,479.90
Total	713,316.14	561,479.90
Information on shares or units eligible to receive dividends		
Number of shares or units		
Dividend per unit		
Tax credits related to income distribution		

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	28/06/2019	29/06/2018
CI-EUR UNITS		
Allocation		
Distribution	0.00	0.00
Retained earnings for the financial year	0.00	0.00
Accumulation	1,078,987.85	593,591.69
Total	1,078,987.85	593,591.69
Information on shares or units eligible to receive dividends		
Number of shares or units		
Dividend per unit		
Tax credits related to income distribution		

	28/06/2019	29/06/2018
GC-EUR UNITS		
Allocation		
Distribution	0.00	0.00
Retained earnings for the financial year	0.00	0.00
Accumulation	138,852.92	147,629.92
Total	138,852.92	147,629.92
Information on shares or units eligible to receive dividends		
Number of shares or units		
Dividend per unit		
Tax credits related to income distribution		

	28/06/2019	29/06/2018
CN-EUR UNITS		
Allocation		
Distribution	0.00	0.00
Retained earnings for the financial year	0.00	0.00
Accumulation	21,177.03	0.00
Total	21,177.03	0.00
Information on shares or units eligible to receive dividends		
Number of shares or units		
Dividend per unit		
Tax credits related to income distribution		

Table showing the allocation of distributable income from net capital gains and losses	Allocation of net capital gains/losses	
	28/06/2019	29/06/2018
Amounts to be allocated		
Previous undistributed net capital gains and losses	0.00	0.00
Net capital gains and losses for the financial year	-6,715,375.42	561,092.83
Interim payments of net capital gains and losses for the financial year	0.00	0.00
Total	-6,715,375.42	561,092.83

Table showing the allocation of distributable income from net capital gains and losses	Allocation of net capital gains/losses	
	28/06/2019	29/06/2018
CR-EUR UNITS		
Allocation		
Distribution	0.00	0.00
Net capital gains and losses not distributed	0.00	0.00
Accumulation	-2,943,115.32	306,820.27
Total	-2,943,115.32	306,820.27
Information on shares or units eligible to receive dividends		
Number of shares or units		
Dividend per unit		

Table showing the allocation of distributable income from net capital gains and losses	Allocation of net capital gains/losses	
	28/06/2019	29/06/2018
CI-EUR UNITS		
Allocation		
Distribution	0.00	0.00
Net capital gains and losses not distributed	0.00	0.00
Accumulation	-3,284,196.58	204,391.95
Total	-3,284,196.58	204,391.95
Information on shares or units eligible to receive dividends		
Number of shares or units		
Dividend per unit		

Table showing the allocation of distributable income from net capital gains and losses	Allocation of net capital gains/losses	
	28/06/2019	29/06/2018
GC-EUR UNITS		
Allocation		
Distribution	0.00	0.00
Net capital gains and losses not distributed	0.00	0.00
Accumulation	-422,508.04	49,880.61
Total	-422,508.04	49,880.61
Information on shares or units eligible to receive dividends		
Number of shares or units		
Dividend per unit		

Table showing the allocation of distributable income from net capital gains and losses	Allocation of net capital gains/losses	
	28/06/2019	29/06/2018
CN-EUR UNITS		
Allocation		
Distribution	0.00	0.00
Net capital gains and losses not distributed	0.00	0.00
Accumulation	-65,555.48	0.00
Total	-65,555.48	0.00
Information on shares or units eligible to receive dividends		
Number of shares or units		
Dividend per unit		

2.10. TABLE OF INCOME AND OTHER KEY FIGURES REGARDING THE ENTITY FOR THE PAST FIVE FINANCIAL YEARS

CR-EUR UNITS	28/06/2019	29/06/2018	30/06/2017	30/06/2016	30/06/2015
Net assets	23,931,301.25	31,250,526.66	35,301,498.35	24,395,130.21	77,485,049.43
Number of units	181,634.346	203,706.864	205,239.320	210,872.611	387,944.924
Net asset value per unit	131.75	153.40	172.00	115.68	199.73
Allocation of income					
Accumulated income per unit	3.92	2.75	2.50	2.42	-2.48
Accumulated net capital gain/loss per unit	-16.20	1.50	-3.31	-28.06	15.53
Distribution of income per unit	-	-	-	-	-
Distribution of net capital gain/loss per unit	-	-	-	-	-
Tax credit (*)	-	-	-	-	-

(*) The tax credit per unit will be determined on the day of distribution

CI-EUR UNITS	28/06/2019	30/06/2018	30/06/2017	30/06/2016	30/06/2015
Net assets	26,820,509.18	20,982,908.62	26,013,468.55	51,472,106.24	91,150,924.39
Number of units	244.156	165.697	184.911	549.028	568.809
Net asset value per unit	109,849.88	126,634.20	140,681.02	93,751.33	160,248.73
Allocation of income					
Accumulated income per unit	4,419.25	3,582.39	3,150.32	3,285.24	-701.00
Accumulated net capital gain/loss per unit	-13,451.22	1,233.52	-2,668.27	-22,668.42	12,445.47
Distribution of income per unit	-	-	-	-	-
Distribution of net capital gain/loss per unit	-	-	-	-	-
Tax credit (*)	-	-	-	-	-

(*) The tax credit per unit will be determined on the day of distribution

GC-EUR UNITS	28/06/2019	30/06/2018	30/06/2017	30/06/2016	30/06/2015
Net assets	3,450,430.95	5,124,315.02	2,978,062.56	902,537.64	626,742.32
Number of units	41,404.774	53,342.935	27,917.890	12,698.838	5,165.712
Net asset value per unit	83.33	96.06	106.67	71.07	121.32
Dividend policy					
Accumulated income per unit	3.35	2.76	2.29	2.57	-0.53
Accumulated net capital gain/loss per unit	-10.20	0.93	-2.01	-17.18	10.12
Distribution of income per unit	-	-	-	-	-
Distribution of net capital gain/loss per unit	-	-	-	-	-
Tax credit (*)	-	-	-	-	-

(*) The tax credit per unit will be determined on the day of distribution

CN-EUR UNITS	28/06/2019
Net assets	547,064.30
Number of units	6,456.981
Net asset value per unit	84.72
Allocation of income	
Accumulated income per unit	-10.15
Accumulated net capital gain/loss per unit	-6.87
Distribution of income per unit	-
Distribution of net capital gain/loss per unit	-
Tax credit (*)	-

(*) The tax credit per unit will be determined on the day of distribution

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2.11. INVENTORY

Name of securities	Currency	Number or nominal qty	Market value	% net assets
Banco Santander Reg SA	EUR	944,387	3,853,571.15	7.04
Crédit Agricole SA	EUR	187,366	1,975,774.47	3.61
Barclays Plc	GBP	309,603	518,158.99	0.95
Partners Group Holding Reg	CHF	960	663,212.44	1.21
Lloyds Banking Group Plc	GBP	5,653,434	3,574,358.35	6.53
Amundi SA	EUR	34,443	2,114,800.20	3.86
HSBC Holdings Plc	GBP	445,155	3,267,056.08	5.97
Caixabank SA	EUR	331,383	834,422.39	1.52
Julius Baer Gruppe AG Reg	CHF	50,382	1,972,201.07	3.60
Commerzbank AG	EUR	126,139	797,072.34	1.46
BNP Paribas SA A	EUR	113,943	4,758,829.40	8.68
UBS Group Inc	CHF	200,748	2,097,467.69	3.83
FinecoBank SPA	EUR	143,728	1,409,971.68	2.58
Svenska Handelsbanken AB A	SEK	12,848	111,731.11	0.20
Poste Italiane SpA	EUR	58,460	541,339.60	0.99
ABN AMRO Bank NV DR	EUR	67,764	1,274,979.66	2.33
ING Groep NV	EUR	437,278	4,458,486.49	8.14
Banco BPM SpA Reg	EUR	132,385	236,969.15	0.43
Unicredit SpA Reg	EUR	197,501	2,138,145.83	3.91
Tikehau Capital SCA Reg	EUR	49,029	1,005,094.50	1.84
Nordea Bank Abp Reg	SEK	3,024	19,296.93	0.04
Phoenix Group Holdings PLC Reg	GBP	37,239	294,978.47	0.54
Credit Suisse Group AG Reg	CHF	178,181	1,878,533.20	3.43
Standard Chartered Plc	GBP	235,270	1,877,294.76	3.43
KBC Group SA	EUR	22,524	1,298,283.36	2.37
Danske Bank A/S	DKK	44,298	615,767.42	1.12
AXA SA	EUR	50,236	1,160,451.60	2.12
Natixis	EUR	633,842	2,243,166.84	4.10
Société Générale SA	EUR	64,773	1,439,256.06	2.63
Mediobanca SpA	EUR	50,570	458,467.62	0.84
Intesa Sanpaolo SpA	EUR	1,100,906	2,071,905.09	3.78
Skandinaviska Enskilda Bk AB A	SEK	26,020	211,601.70	0.39
Erste Group Bank AG	EUR	36,554	1,193,122.56	2.18
Banco Bilbao Vizcaya Argent SA Reg	EUR	446,510	2,195,489.67	4.01
TOTAL Equities and similar securities traded on a regulated or similar market (except Warrants and subscription certificates)			54,561,257.87	99.66
TOTAL Equities and similar securities traded on a regulated market			54,561,257.87	99.66
TOTAL Equities and equivalent securities			54,561,257.87	99.66
Management fee	EUR	-59,186.72	-59,186.72	-0.11
Performance fee	EUR	-99.68	-99.68	0.00
TOTAL Fees			-59,286.40	-0.11
HSBC Holdings Plc	GBP	464,864	40,824.10	0.07
TOTAL Coupons and dividends			40,824.10	0.07
Misc. creditors Sec. EUR	EUR	-167,191.84	-167,191.84	-0.31
Misc creditors S/R EUR	EUR	-23,135.38	-23,135.38	-0.04
Misc. debtors S/R EUR	EUR	10,032.07	10,032.07	0.02
TOTAL Other debts and receivables			-180,295.15	-0.33
OddoCie CHF	CHF	11,263.05	10,144.77	0.02

Asset management company incorporated in the form of a *société par actions simplifiée* (simplified joint stock company) with share capital of EUR 7,500,000

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Name of securities	Currency	Number or nominal qty	Market value	% net assets
OddoCie DKK	DKK	5,898.18	790.25	0.00
OddoCie EUR	EUR	384,417.78	384,417.78	0.60
OddoCie GBP	GBP	7,002.59	7,823.57	0.01
OddoCie SEK	SEK	4,976.88	471.06	0.00
OddoCie USD	USD	15,942.4	14,000.53	0.03
TOTAL Assets			417,647.96	0.66
V/A GBP EUR 120719	EUR	9,639,332.06	9,639,332.06	17.60
V/A GBP EUR 120719	GBP	-8,600,000	-9,605,175.87	-17.54
V/A CHF EUR 120719	EUR	6,466,020.84	6,466,020.84	11.81
V/A CHF EUR 120719	CHF	-7,250,000	-6,530,956.46	-11.93
A/V GBP EUR 120719	EUR	127,173	142,037.10	0.26
A/V GBP EUR 120719	GBP	-141,938.27	-141,938.27	-0.26
A/V CHF EUR 120719	EUR	75,771	68,256.15	0.12
A/V CHF EUR 120719	CHF	-68,418.25	-68,418.25	-0.12
TOTAL Forward transactions			-30,842.70	-0.06
TOTAL CASH			188,047.81	0.34
TOTAL NET ASSETS			54,749,305.68	100.00

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APPENDIX 1: Report on remuneration in application of the UCITS V Directive

1- Quantitative information

	Fixed compensation	Variable remuneration (*)	Number of beneficiaries (**)
Total amount of remuneration paid from January to December 2018	8,988,654	16,005,480	162

(*) Variable remuneration awarded for the year

(**) Beneficiaries shall be understood as all OBAM employees having received remuneration in 2018 (Permanent contract/Temporary contract/Apprenticeship/Internship/Foreign offices)

	Senior managers	Number of beneficiaries	Members of staff with the ability to affect the risk profile of the Fund	Number of beneficiaries
Aggregate amount of remuneration paid for the 2018 financial year (fixed and variable*)	1,268,967	11	17,159,577	33

(*) Variable remuneration in respect of 2018

2- Qualitative information

2.1 Financial and non-financial criteria of remuneration policies and practices

2.1.1 Fixed remuneration

Fixed remuneration is determined on a discretionary basis in line with the market. This allows us to meet our targets for the recruitment of qualified and operational staff.

2.1.2 Variable remuneration

Variable remuneration paid within the Management Company is determined on a largely discretionary basis. As such, once fairly accurate estimates of the results for the year are available (mid-November), a budget for variable remuneration is determined and the various managers – in association with the group HRD – are invited to propose an individual budget breakdown.

This process takes place after the appraisal meetings, in which managers can discuss the quality of each employee's professional performance with them for the year under way (in relation to previously established targets) and set targets for the next year. This appraisal has a highly objective component that addresses whether responsibilities have been met (quantitative targets, sales figures or how the management places in a specific ranking, performance fees generated by the fund managed), as well as a qualitative component (the employee's attitude during the year).

It should be noted that, as part of their variable remuneration, some managers may receive a portion of the performance fees received by OBAM SAS. However, the amount to be allocated to each manager is determined in line with the abovementioned process and there are no individualised contractual packages that regulate the distribution and payment of these performance fees.

2.2 Information to manage the UCI's risk profile and measures adopted to avoid and manage conflicts of interest

The management company has decided not to make a provision for remuneration that is directly linked to the fund's performance. The Remuneration Policy consequently promotes the healthy and effective management of risk and does not encourage risk-taking that would run counter to the risk profiles, the regulations and governing documents of the UCIs.

2.3 Decision-making procedure for determining the remuneration policy

The Management Body of the remuneration policy is responsible for drawing up, approving and monitoring the remuneration policy. It must ensure that the remuneration policy encourages employees to take risks in line with the risks taken by the funds managed by the Management Company, the investors having placed their assets in these funds and the Management Company itself.

OBAM SAS has decided that the Management Body, within the meaning of the variable remuneration policy, will be composed of members of the Company's Management (currently composed of a Chair and a Deputy Managing Director). As such, the Management Body is responsible for ensuring the approval of and compliance with the variable remuneration policy of OBAM SAS. It is also responsible for ensuring the latter is implemented.

For the purposes of conducting any required auditing activities and making any adjustments, the Management Body shall meet at least once a year in order to review the remuneration policy of OBAM SAS and consider any changes that could be justified by regulatory developments or by an internal change at OBAM SAS.

As part of its analysis of the variable remuneration policy, the Management Body will be assisted by the Group's Human Resources department, which supports it in the implementation of the variable remuneration policy, as well as by the various Control and Audit teams of the Company and the Group.

The Management Body will be briefed by employees designated as being "risk takers" within the meaning of the regulations and practices of the Company and, more broadly, of the Group.

The ODDO BHF Group has decided to have only one Remuneration Committee, the supervisory responsibilities of which extend to both entities regulated by the CRD IV Directive and those falling under the AIFMD and UCITS V. Members of the Remuneration Committee are representatives of the Monitoring Body of ODDO BHF SCA, the parent company of OBAM SAS, and are therefore independent of the Management Company.

2.4 Changes to the remuneration policy made during the last financial year

No changes to the remuneration policy were apparent in the annual review of the remuneration policy provided for under points I.3 and I.4 of article 314-85-2 of the AMF General Regulation.