

## ODDO BHF AVENIR EUROPE

Paris, 7 March 2023,

In its capacity as management company (hereinafter the “**Management Company**”) of the ODDO BHF Avenir Europe fund (hereinafter the “**Fund**”), ODDO BHF Asset Management SAS has decided to make the following changes:

- Change to the selectivity approach applied by the Fund when applying ESG criteria, leading to the elimination of at least 20% of the investment universe as follows:
  - Change to the paragraph on exclusions in order to clarify the application of the Management Company’s common exclusion framework in addition to Fund-specific exclusions.
  - Change to the ESG rating system. In order to take into account the ESG ratings of the companies in the investment universe, the management team uses non-financial data and ratings provided by an external data provider, MSCI ESG Research. Additional ESG assessments from the Management Company’s research team or from a third party may also be used, particularly in the event that an issuer has not been rated by MSCI.
- Gate provisions for redemption requests are introduced as part of the AMF’s tightening of requirements for the operation of liquidity management tools.

	Prior to the amendment	After the amendment
<b><u>Investment strategy</u></b>	<p>I. First stage: sectoral exclusions:</p> <p>The Fund may not invest in the tobacco, alcohol, gambling, coal mining and coal energy generation, oil and gas, regulated utilities or telecommunications sectors. Likewise, banks that have not committed to a policy that meets international standards for a fossil fuel phase-out will be excluded.</p>	<p>I. First stage: exclusions:</p> <p><b>The Fund applies the common exclusion framework</b> as detailed in the Management Company’s exclusion policy, which is available at <a href="http://am.oddo-bhf.com">am.oddo-bhf.com</a>. This framework covers coal, oil and non-conventional weapons, in particular. <b>The Fund also applies specific exclusions.</b> The Fund may not, therefore, invest in the regulated utilities and telecommunications sectors, alcohol, gambling, oil &amp; gas, or in banks that have not committed to a policy that meets international standards for a fossil fuel phase-out.</p>
	<p>II. Second stage: ESG rating:</p> <p><b>This step involves taking into account the ESG rating of a large majority of the companies in the investment universe from our internal rating system or from an</b></p>	<p>II. Second stage: ESG rating:</p> <p><b>This stage involves taking into account the ESG rating of the companies in the investment universe. To that end, the management team uses non-</b></p>

	<p><b>external non-financial data provider.</b> This rating process once again reduces the Fund's investment universe to obtain an eligible universe:</p> <ol style="list-style-type: none"> <li>1. companies that are not monitored by our internal model or by our external non-financial data provider are systematically excluded from the investment universe;</li> <li>2. companies that do not follow our internal model and are assigned an ESG CCC or B rating by our external non-financial data provider MSCI ESG Ratings are also systematically excluded from the universe;</li> <li>3. finally, companies rated 1 out of 5 on our internal rating scale on the "human capital" and/or "corporate governance" pillars are also systematically excluded from this universe.</li> </ol> <p>Our internal ESG analysis process is twofold:</p> <ul style="list-style-type: none"> <li>• "best-in-universe": the management team favours the highest rated issuers regardless of their size and sector of activity.</li> <li>• "best effort": the management team values the progress made over time by issuers, thanks to direct dialogue with them.</li> </ul> <p>As part of the company rating process, the following criteria, among others, are analysed:</p> <ul style="list-style-type: none"> <li>- Environmental: energy consumption, water consumption, waste management, environmental certifications, products and services with environmental value-added, climate risk management, etc.</li> <li>- Social: human capital (human resources management, executive team diversity, training, employee health and safety, etc.), supplier management, innovation, etc.</li> <li>- Governance: corporate governance (preservation of minority shareholder's interests, composition of governance bodies, remuneration policy, etc.), fiscal responsibility, exposure to risk of corruption, etc.</li> </ul>	<p><b>financial data and ratings provided by an external data provider, MSCI ESG Research.</b></p> <p>Additional ESG assessments from the Management Company's research team or from a third party may also be used, particularly in the event that an issuer has not been rated by MSCI.</p> <p>This rating process once again reduces the Fund's investment universe to obtain an eligible universe.</p> <p>The lowest-rated companies are excluded from the investment universe.</p> <p>The average portfolio rating will be equal to or higher than that of the benchmark on the basis of this rating system. The management team takes into account the weighting of securities held in the portfolio when calculating the portfolio average.</p> <p>In the event of an ESG rating downgrade or a change in the ESG rating methodology affecting the average portfolio rating, the return to an average rating that is equal to or higher than that of the benchmark will be achieved by taking into account the interests of unitholders and market conditions.</p> <p>By applying this stock-picking methodology (selectivity approach as described above), at least 20% of the rated investment universe will be excluded.</p> <p>The analysis of controversies (industrial accidents, pollution, convictions for corruption, anti-competitive practices, product safety, supply chain management, etc.), based on information provided by our external non-financial data provider, is integrated into the rating process and directly influences the ESG rating of each company.</p> <p>The Fund adheres to the AFG Eurosif Code of Transparency for SRI funds open to the public, which is available from the website <a href="http://www.am.oddobhf.com">www.am.oddobhf.com</a>. This Code describes in detail the non-financial analysis method, exclusions, exclusion thresholds and the SRI selection process applied.</p>
--	--	---

	<p>Close attention is paid to analysing human capital and corporate governance, which account for 30% and 25% of each company's score, regardless of its size or industry. We believe that poor human capital management or corporate governance failures pose a major risk to the execution of a company's strategy and therefore to its valuation.</p> <p>The analysis of controversies (industrial accidents, pollution, convictions for corruption, anti-competitive practices, product safety, supply chain management, etc.), based on information provided by our external non-financial data provider, is integrated into the rating process and directly influences the ESG rating of each company.</p> <p>This internal ESG analysis results in an internal rating system on a scale of 1 (worst) to 5 (best): High ESG Opportunity (5), ESG Opportunity (4), ESG Neutral (3), Moderate ESG Risk (2) and High ESG Risk (1).</p> <p>The Fund adheres to the AFG Eurosif Code of Transparency for SRI funds open to the public, which is available from the website <a href="http://www.am.oddo-bhf.com">www.am.oddo-bhf.com</a>. This Code describes in detail the non-financial analysis method, exclusions, exclusion thresholds and the SRI selection process applied.</p> <p>The Management Company pledges that issuers representing at least 90% of the Fund's net assets shall have an ESG rating.</p> <p>The investment process relies on an active stock-picking-based management strategy within the eligible universe. The manager invests in <b>small and mid-cap companies of less than EUR 10 billion (at the time they are first added to the portfolio)</b> which enjoy a real competitive advantage in a market with strong entry barriers and which are highly profitable, thereby enabling them to finance their own long-term development. These characteristics are identified during the analysis conducted by the fund managers, who choose them on a discretionary basis.</p>	<p>The Management Company pledges that at least 90% of the issuers in the portfolio shall have an ESG rating.</p> <p>The investment process relies on an active stock-picking-based management strategy within the eligible universe. The manager invests in companies <b>from the investment universe</b> that enjoy a real competitive advantage in a market with strong entry barriers, and that are highly profitable, thereby enabling them to finance their own long-term development. These characteristics are identified during the analysis conducted by the fund managers, who choose them on a discretionary basis.</p>
--	--	---

<b>Gate provision for capping redemptions</b>	No	Yes Trigger point: 5% of net assets
---	----	--

These changes have no effect on the Fund's investment strategy or risk/reward profile.

All other features of the Fund will remain completely unchanged.

The changes will come into force on 10 March 2023.

The Funds' Key Information Document, dated 10 March 2023, will be available in French, English, German, Spanish, Italian, Dutch, Portuguese and Swedish on the [www.am.oddobhf.com](http://www.am.oddobhf.com) website and upon request from the Management Company.

The prospectus of the same date will be available in French and English on [www.am.oddobhf.com](http://www.am.oddobhf.com) and upon request from the Management Company.