

September 30, 2019

ODDO BHF Credit Opportunities



CN-EUR - Eur | FIXED INCOME - TOTAL RETURN - MULTI ASSET CREDIT

Assets Under Management 208 M€
 NAV per Unit 103.07€
 Evolution vs M-1 -0.66€

Morningstar category : Alt - Long/Short Debt



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

FR IT CHE DEU AUT PRT ESP SWE LUX FIN

Note: The Fund's investment strategy was amended on 30 December 2016. Therefore, performances and indicators from before this date do not reflect the strategy subsequently pursued for the Fund.

Portfolio Managers

Bastian GRIES, Matthias LACKMANN, Haiyan DING

Key features

Recommended investment horizon: 3 Years

Inception date of the fund: 9/7/18

Initial date of performance: 12/14/17

Legal structure	Sub-fund of the ODDO BHF Luxembourg Umbrella (UCITS)
ISIN code	LU1752460706
Bloomberg code	ODCPCN LX
Currency	Euro
Dividend policy	Accumulation units
Minimum (initial) investment	100 EUR
Subscription fees	5 % (maximum)
Redemption fees	Nil
Management fees	annual rate of a maximum of 0.70%, payable monthly and calculated based on the Sub-fund's average net assets for the month in question.
Performance fees	10% (inclusive of taxes) of the Sub-fund's outperformance relative to its comparison index EONIA +2% (capitalised), provided that the Subfund's performance is positive.
Ongoing charges	0.91%
Management company	ODDO BHF AM SAS
Management company (by delegation)	ODDO BHF AM GmbH
Custodian	Caceis Bank Luxembourg (Luxembourg) Caceis Bank Lux
Administration and Accounting	
Subscriptions/ redemptions	11:15am D
NAV calculation frequency	Daily

Technical and risk indicators*

	1 year	3 years
Sharpe ratio	1.20	
Fund		
Yield**	1.59%	
OAS Spread (bp)	147	
Average maturity (year)	5.59	
Modified duration to worst	3.76	
Spread duration (to worst)	5.12	

Investment strategy

The investment objective is to outperform the EONIA index +2% (capitalised), net of fees, on an annual basis, with an exact volatility target of maximum 5%. The Sub-fund does not have a benchmark. Given the Fund's discretionary management style, its management is not linked to any index.

Annual performance (rolling 12 months)

from	to	Fund
	9/28/18	
	9/30/19	2.9%

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

Up to 30 December 2016, the benchmark was the Barclays Eur Agg Corps TR EUR. From 30 December 2016, the fund does not have a benchmark index.

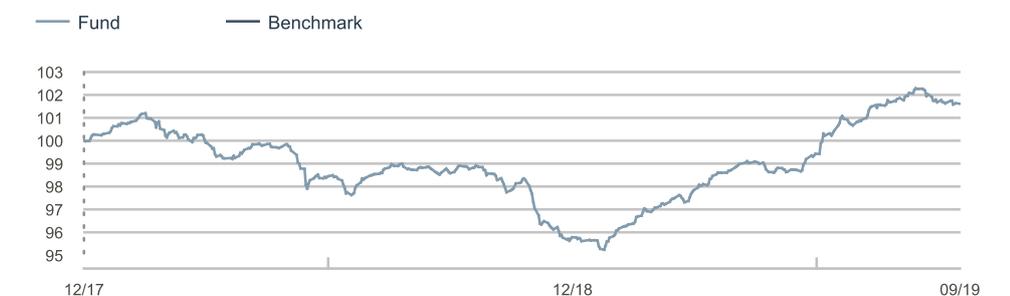
Calendar performance (from January 01 to December 31)

	2018
Fund	-4.6%

Performance Analysis

	Annualized performance			Cumulative performance					
	3 years	5 years	Inception	1 month	YTD	1 year	3 years	5 years	Inception
Fund			0.90%	-0.64%	6.23%	-			-

Change in performance since inception (base 100)



Annualized volatility

	1 year	3 years	5 years
Fund	2.56%		

The Yield to Maturity (YTM) is the estimation at a certain date of the expected rate of return of a bond portfolio if the securities are held to maturity. It does by no means constitute a promised return. It can, therefore, be affected by interest rate risks, default risks, reinvestment risks and the fact that bonds may not be held until maturity.

The Yield to worst (YTW) is the estimation at a certain date of the worst expected rate of return of a bond portfolio of which some of the securities would not be held until maturity but redeemed at the discretion of the issuer (call). It does by no means constitute a promised return. It can, therefore, be affected by interest rate risks, default risks, reinvestment risks and the fact that bonds may not be held until maturity.

Futures and options are not included in the calculation of the yield. The YTM is calculated before currency hedging. The YTW is calculated after currency hedging.

*Definitions of the financial indicators used are available for download on the website www.am.oddo-bhf.com under the heading "Regulatory information".

Sources : ODDO BHF AM SAS, Bloomberg, Morningstar®

The performance shown is that of the "Oddo Credit Opportunities" (launched on 13 December 2013) which was absorbed by the "Oddo BHF Credit Opportunities" (a sub-fund of Oddo BHF, a SICAV established under Luxembourg law) effective from 10 September 2018. The "Oddo BHF Credit Opportunities" pursues exactly the same investment strategy and the same investment objective as the "Oddo Credit Opportunities". The fund management team and the fee structure also remain unchanged.

(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.

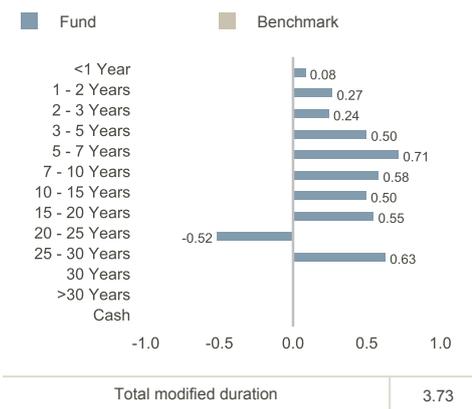
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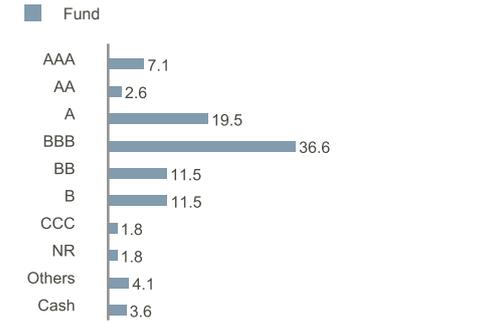
Contribution to modified duration by segment

Segments	Weight	Modified duration to worst	Spread duration (to worst)
Investment Grade	52.3%	2.92	2.92
High Yield	24.5%	0.68	0.68
Government Bonds	11.6%	0.97	0.97
Emerging Markets Bonds	4.1%	0.20	0.00
Cash	3.8%		0.00
Covered Bonds	2.1%	0.29	0.29
Quasi Government Bonds	1.9%	0.26	0.26
Overlay	-0.2%	-1.59	0.00
Total	100.0%	3.73	5.12

Contribution to modified duration by maturity



Breakdown by rating



The breakdown takes into consideration the rating of the issuer or the guarantor in the case of unrated issues.

Portfolio manager comment

In September, macroeconomic indicators remained relatively weak with the Manufacturing PMI for the Eurozone still at 47. The ECB delivered a comprehensive package and announced a 10bp deposit rate cut and a QE program of € 20bn per month starting in November while a two-tier reserve system should help banks mitigate the impact of negative rates. The program will use the same criteria as CSPP 1.0 and the corporate bond purchases will be restricted to Non-Financial Investment Grade issuers. The open-ended nature of the asset purchase program should continue to support risk appetite going forward.

Both for the Investment Grade as well as the High Yield market, primary market activity increased significantly and September set a new record for a monthly supply of >€70bn for Investment Grade Corporates.

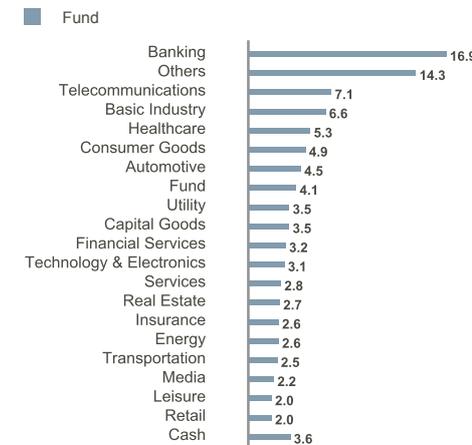
Over the course of the month, 10yr Bund yields increased from -0.70% to -0.57%. Overall the Investment Grade market widened by 2bps while High Yield spreads increased by 9bps. Especially in the second half of the month investors started to take profit and de-risked their portfolios mainly due to the weakening European macroeconomic indicators and the ongoing US/Chinese trade tensions.

As the result of the higher duration, the Investment Grade Senior market (-0.80%) underperformed European High Yield (-0.33%) as well as subordinated bonds in the environment of rising rates.

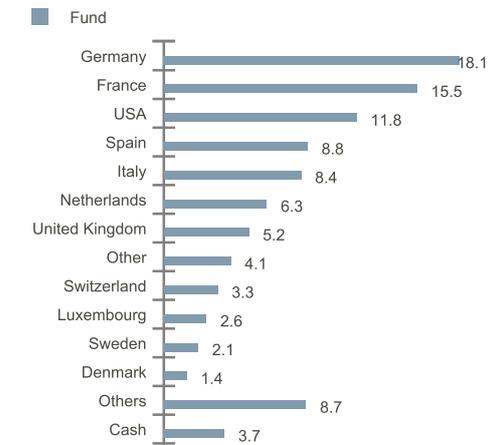
During September, we took advantage of the high issuance activity in the Investment Grade market and reduced our cash quota in the fund. In addition, we see relative value in AT1s which we increased slightly in September. Due to the imminent asset purchase programme, we expect the compression trade between peripheral sovereign bonds and core Eurozone issuers to continue. For High Yield, we stay relatively cautious as idiosyncratic events have increased recently and issuers are more susceptible to weaker macroeconomic data.

In the near term, especially Corporates Investment Grade and peripheral government bonds should benefit from the start of the new asset purchase program in November, while risky assets such as High Yield or subordinated bonds could be exposed to a higher level of volatility. In October, the ongoing US and China trade talks as well as the Q3 reporting season should dictate market direction.

Sector breakdown (%)



Geographic breakdown (%)



Main portfolio Currencies after hedge (%)

EUR : 100.13%, GBP : -0.03%, USD : -0.1%

Main portfolio holdings

Security name	Weight	Rating	Sector	Country
Bundesrepub. Deutschland 3.25% 07/2021	4.2%	AAA	Sovereign	Germany
Buoni Poliennali Del Tes 2.70% 03/2047	2.2%	BBB	Sovereign	Italy
Bonos Y Oblig Del Estado 1.45% 04/2029	1.4%	A	Sovereign	Spain
Bonos Y Oblig Del Estado 1.50% 04/2027	1.3%	BBB	Sovereign	Spain
Roadster Finance Dac 1.63% 12/2024	1.3%	BBB	Transportation	Germany
Ubisoft Entertainment Sa 1.29% 01/2023	1.2%	NR	Techn. & Electronics	France
Vonovia Finance Bv 0.75% 01/2024	1.1%	BBB	Real Estate	Germany
Bayer Capital Corp Bv 2.13% 12/2029	1.1%	BBB	Basic Industry	Germany
Bpce Sa 1.13% 01/2023	1.1%	BBB	Banking	France
Glencore Finance Europe 1.88% 09/2023	1.0%	BBB	Basic Industry	Switzerland
Number of holdings (except overlay)	261		Number of issuers	210

RISKS: The fund is exposed to the following risks : risk of capital loss, interest rate risk, credit risk, risk associated with discretionary management, risk associated with commitments on forward financial instruments, counterparty risk, risks associated with portfolio concentration, liquidity risk of underlying assets, risk associated with high yield bonds, emerging markets risk, risks associated with securities financing transactions and collateral management, modelling risk and on an ancillary basis currency risk, risk associated with currency conversion

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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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