

September 30, 2019



# ODDO BHF European Convertibles Moderate

CI-EUR - Eur | CONVERTIBLE BONDS - EUROZONE - EUROZONE

Assets Under Management	90 M€	Morningstar category :
NAV per Unit	1,198.46€	Convertible Bond - Europe
Evolution vs M-1	-3.03€	



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

FR IT CHE DEU NLD AUT PRT ESP BEL

### Portfolio Managers

Olivier BECKER, Maxime DUPUIS, Christophe SANCHEZ

### Key features

**Benchmark:** Exane ECI Eurozone  
**Recommended investment horizon:** 2 Years  
**Inception date of the fund:** 9/14/00  
**Initial date of performance:** 8/16/12

<b>Legal structure</b>	French FCP
<b>ISIN code</b>	FR0011294586
<b>Bloomberg code</b>	ODDCONB FP
<b>Currency</b>	Euro
<b>Dividend policy</b>	Accumulation units
<b>Minimum (initial) investment</b>	250000 EUR
<b>Subscription fees</b>	4 % (maximum)
<b>Redemption fees</b>	Nil
<b>Management fees</b>	Maximum 0.65% of the net assets, inclusive of tax.
<b>Performance fees</b>	N/A
<b>Ongoing charges</b>	0.67%
<b>Management company</b>	ODDO BHF AM SAS
<b>Custodian</b>	ODDO BHF SCA, France (Paris)
<b>Administration and Accounting</b>	EFA
<b>Subscriptions/ redemptions</b>	11:15am D
<b>NAV calculation frequency</b>	Daily
<b>Transaction fees</b>	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
Tracking Error	1.13%	1.49%
Sharpe ratio	0.10	0.21
Information ratio	-0.74	-0.49

	Fund	Benchmark
Equity sensitivity	25	28
Modified duration	3.1	3.1
Average maturity (year)	3.7	3.6

### Investment strategy

The Fund's objective is to outperform the benchmark index, the Exane ECI Euro Index, over a minimum investment horizon of two years, while taking ESG criteria into account.

### Annual performance (rolling 12 months)

from	9/30/14	9/30/15	9/30/16	9/29/17	9/28/18
to	9/30/15	9/30/16	9/29/17	9/28/18	9/30/19
<b>Fund</b>	5.2%	-1.5%	2.3%	-1.7%	-0.3%
<b>Benchmark</b>	4.8%	0.2%	3.5%	-1.4%	0.7%

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
<b>Fund</b>	4.5%	5.0%	-1.7%	-0.9%	-6.1%
<b>Benchmark</b>	2.4%	5.1%	-1.1%	0.0%	-5.2%

### Performance Analysis

	Annualized performance			Cumulative performance					
	3 years	5 years	Inception	1 month	YTD	1 year	3 years	5 years	Inception
<b>Fund</b>	0.09%	0.78%	2.57%	-0.25%	6.49%	-0.29%	0.28%	3.98%	19.85%
<b>Benchmark</b>	0.91%	1.53%	3.12%	-0.49%	7.11%	0.71%	2.77%	7.91%	24.51%

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



### Annualized volatility

	1 year	3 years	5 years
<b>Fund</b>	3.79%	4.24%	4.85%
<b>Benchmark</b>	3.99%	4.44%	5.45%

\*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®

New benchmark index since 02/01/2014. Previous benchmark index : Exane ECI eurozone.

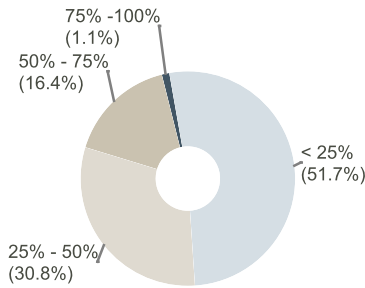
(1) Risk/return scale in a range from 1 (lowest risk) to 7 (highest risk). This indicator is not constant and is updated if the risk/reward profile of the fund changes over time. The lowest category does not mean a risk-free investment. Historical data, such as is used to calculate the risk/return ratio, 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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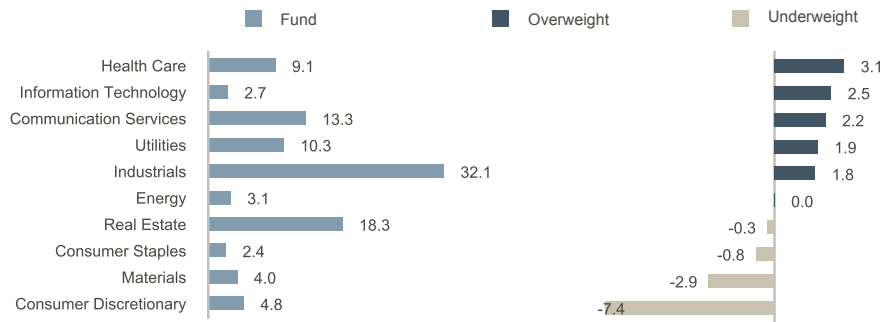


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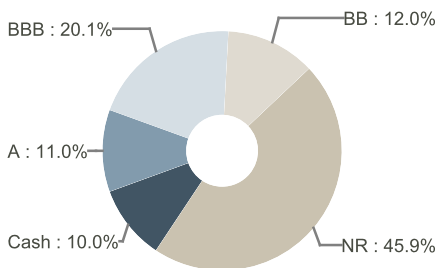
## Breakdown by equity sensitivity



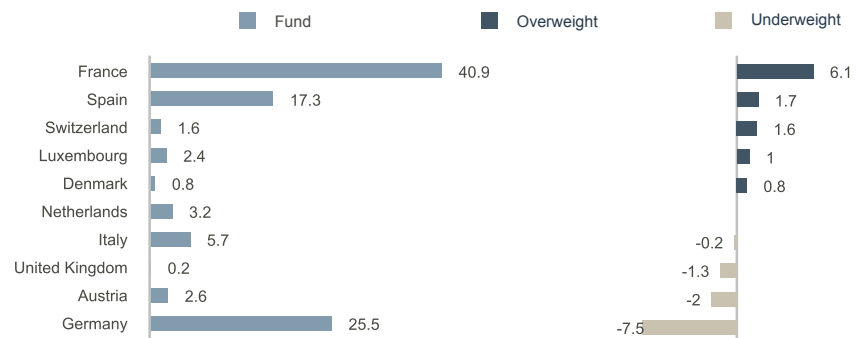
## Sector breakdown: portfolio vs benchmark (in % of equity sensitivity)(%)



## Breakdown by rating (excluding term deposits)



## Country breakdown :portfolio vs benchmark (in % of equity sensitivity)(%)

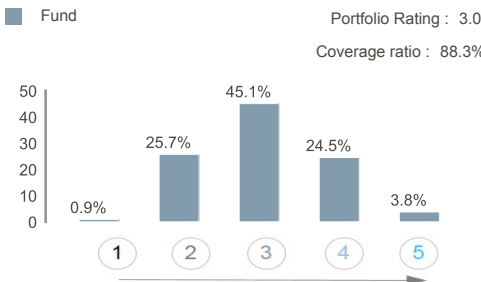


The breakdown takes into consideration the rating of the issuer or the guarantor in the case of unrated issues.

## Portfolio manager comment

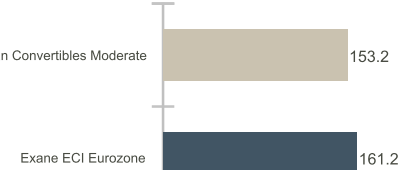
Early in the month, the US introduced a 15% tariff on over USD 125 billion of Chinese goods. Despite this, market sentiment regarding the trade war improved in response to news that talks would take place in October. Economic data in the EuroZone worsened. The industrial sector continued to contract; Germany was the driving force behind this trend. PMI figures also continued to weaken in September for both services and manufacturing. Meanwhile, inflation remained moderate (+1.0% YoY in August). In light of both weak economic data and inflation substantially below the 2% target, the ECB cut its deposit interest rate by 10 bps and launched an asset purchase programme of EUR 20 billion per month from 1 November. Monetary easing and the optimism surrounding trade talks naturally fuelled a rise in most equity markets in September (STOXX 600 +3.6%), with key performance drivers including banking (+9.0), automotive (+6.0%), energy (+5.4%), telecoms (+4.8%) and real estate (+4.6%). Conversely, bond yields spiked (+18 bps for US 10-year yields, +12 bps for German 10-year yields) as investors sought out safe haven assets. On the credit market, the iTraxx Xover index narrowed by 20 bps over the month whereas the iTraxx Main widened by 6 bps. This context saw the convertible bond market end the month just into the red (-0.5% for our benchmark) because its sector exposure was less favourable than that of the equity indices (near-absence of financials, overexposure to health care, technology and industrials). Nevertheless, our fund outperformed its benchmark because a number of conviction plays based on company fundamentals paid off (lack of a Takeaway.com position, strong overweight on Safran, Sika and Total). September was also a particularly busy month on the primary market with EUR 4.85 billion in new issues; there have now been 50% more issues since the start of 2019 (EUR 15.5 billion) than in the whole of 2018. We participated in the Edenred, MTU and Unilever issues, having been won over by the companies' fundamentals. In contrast, we decided not to open positions in GBL/Lafarge (governance), Veolia (lack of equity upside potential), Argentum/Wirecard (structured product), JPM/MLVH (structured product), Kering/Puma (valuation) or Encevis (subordinated debt) because the current market environment means that we must remain highly selective in our investment choices. Our secondary market activities included strengthening our positions in GN Store Nord 24 and Semiconductor 24. We took profits on Iberdrola 22, MTU 23, STM 24 and Unilever 21. Lastly, we liquidated all of our positions in traditional bonds. Our fund maintains a cautious positioning for the coming weeks.

## ESG Rating



In accordance with the update to our ESG integration policy published on 30 June 2017, the internal ESG rating scale now ranks the investment universe from 1 (High Risk) to 5 (Strong Opportunity) in ascending order.

## Carbon Intensity (tCO2e/ mil EUR)



## Top 10 bond & convertible holdings

Security name	Weight†	Weight**	Sector	Country
Telecom Italia Spa 1.13% 03/2022	8.2%	9.1%	Communication Services	Italy
Cellnex Telecom Sa 1.50% 01/2026	3.9%	4.7%	Communication Services	Spain
Deutsche Wohnen Ag 0.33% 07/2024	3.9%	3.8%	Real Estate	Germany
Safran Sa 0.00% 06/2023	3.7%	3.8%	Industrials	France
Deutsche Post Ag 0.05% 06/2025	3.6%	4.6%	Industrials	Germany
Number of holdings	48	* Fund	** Benchmark	
Weight of combined convertible bonds (3):	1.5%			

(3) This refers to ODDO BHF AM 's combined purchase of a traditional bond (or even cash) and an equity call option and not a structured product..

**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, liquidity risk of underlying assets, risk associated with high yield bonds, risk associated with convertible bonds, risk associated with holding small and medium capitalisations, volatility risk and on an ancillary basis equity risk, 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

www.am.oddo-bhf.com