

ODDO BHF FUTURE OF FINANCE

JOIN THE NEW FINANCIAL ERA

April 2022



- ODDO BHF Future of Finance is a global thematic equity fund on the theme of the mutations of the financial sector. The fund invests in both innovative banks and in the new players (FinTech & non-banking companies) that are challenging them on their historical markets.
- The fund offers a direct exposure to 4 sub-themes with **growth potential** encompassing all aspects of the financial transformation:



Banks



Payment and transaction services



Specialized financial services



Disruptive finance companies

- The fund aims to invest at least 90% of net assets from listed international equities, up to 50% of the net assets in non-OECD countries (emerging countries) and up to 50% in equities denominated in currencies from non-OECD countries (emerging countries)

Investment team

Three portfolio managers with extensive investment experience in equities and financials



Alex Koagne

Analyst & portfolio manager
ODDO BHF Future of Finance
ODDO BHF AM SAS



16 years investment experience



Christophe Sanchez

Analyst & portfolio manager
ODDO BHF Future of Finance
ODDO BHF AM SAS



25 years investment experience



Valentin Francois

Analyst & portfolio manager
ODDO BHF Future of Finance
ODDO BHF AM SAS



7 years investment experience

Main risks

ODDO BHF Future of Finance is principally exposed to the following risks: Risk of capital loss, risk associated with discretionary management, equity risk, risk associated with sector concentration in the portfolio, currency risk, counterparty risk, risk associated with holdings of small and mid caps, risk associated with commitments on forward financial instruments, liquidity risk of underlying assets, emerging market risk, durability risk and on an ancillary basis: credit risk and interest rate risk.

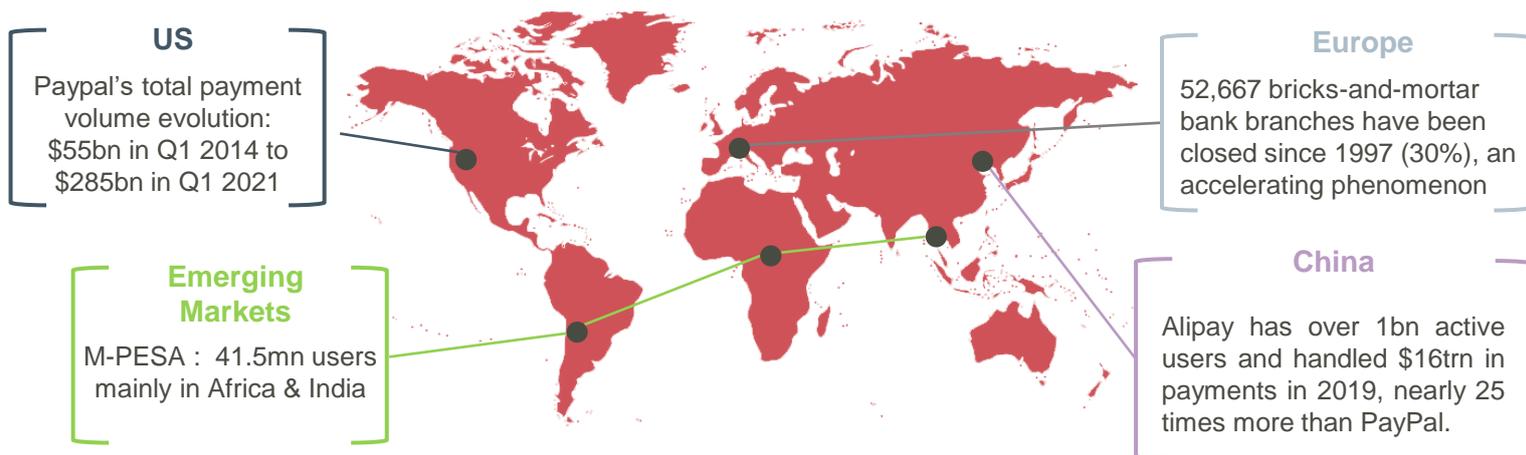
*Synthetic indicator of risk and performance : running from 1 to 7, where one is the lowest level of risk and seven the highest. This indicator shall be revised when changes occur in the fund's risk and reward profile.

Source: Klarna, TagPay, The Economist; ODDO BHF AM SAS | Data as of 2021

A new era for finance

Uber, the world's largest taxi company, owns no vehicles. Facebook*, the world's most popular media owner, creates no content. Alibaba*, the most valuable retailer, has no inventory. And Airbnb*, the world's largest accommodation provider, owns no real estate.***

What about financial companies?



New potential business models driven by technology



BANKS

- ▶ **Substantial administrative processes**
- ▶ **Traditional ways to assess borrowers' creditworthiness**
- ▶ **Need for diversification** due to the reduction in lending margins:
 - Low interest rates
 - Rising competition
- ▶ Lower appeal for **bricks-and-mortar branches**



FINTECH

- ▶ The objective is to:
 - **Increase the stickiness of their products** or
 - **Take a cut of the financial wares** they distribute for others
- ▶ **Challenge** traditional banks on **user experience** and **new usages**

Emergence of new potential business models

▶ **Banking-as-a-Platform (BaaP)**

Personalized ecosystems to meet customer needs supporting an open architecture approach

▶ **The Marketplace**

Banks create marketplaces where they integrate various services from FinTechs

▶ **Buy now, pay later**

Alternative to traditional credit giving the flexibility to split the cost of purchase into monthly installments

▶ **Banking-as-a-Service (BaaS)**

Using APIs to market banking services

*Those examples are not investment recommendations.

Source: ** (Digital Darwinism, 2018), Klarna, TagPay, The Economist; ODDO BHF AM SAS | Data as of 2021

Our solution: ODDO BHF Future of Finance

A global approach through **4 sub-themes** targeting financial companies that will be able to rethink their brand, business model and operating processes in order to meet the new consumer patterns and create the most potential value for their shareholders in the long term.

Banks

- Digital finance has brought more people into the banking system in recent months
- The shift from physical to digital is underway
- Traditional players are forging partnerships with FinTechs to improve user experience



Payment and transactional services

- Non-bank actors are consolidating the market even if banks remain dominant players in this area
- Many innovations reshape payment processes, making user experience better and easier
- Means of payment have proliferated: card, internet, mobile payments, etc.

Specialized financial services

- Size matters – ongoing consolidation mainly in the following industries: exchange, asset & wealth management, and private equity
- Private market growth persists, supported by long-term allocations and persistently low rates
- Innovate with ESG - Greater focus on stewardship could be a winning strategy to tackle the pressure from ETFs/Passives.



Disruptive financial companies

- FinTechs are specialized in various business segments and could disrupt traditional incumbent activities
- Ability to collect and exploit data is the new standard
- The prominent applications are mobile payments, automated investment apps, online lending businesses etc.

ODDO BHF Future of Finance: Investment process

A 4-step investment process

1 Sub-themes definition

4 sub-themes based on historical growth areas of the traditional banking sector. Banking activities that have gradually become independent of traditional banks due to:

- Regulation
Example of Private Equity
- Investment (CapEx) issues
Example of payments
- Customer experience

2 Quantitative filter

A screening based on criteria specific to financial companies

- Market cap / free float
Liquid companies
- Valuation
Companies with attractive valuation
- Earnings & book value growth
Companies with growth potential
- Momentum
Companies in a long-term upward trajectory

3 Discretionary analysis

Top-down approach

- Macroeconomic analysis
- Banking market analysis
- Regulation analysis

..combined with bottom-up approach

- Fundamental analysis
- Company valuations
- Momentum

4 Portfolio construction and management

Active approach

- Conviction-based investments...
- ...can lead to important under/overweight vs. the benchmark

Review of the weight of each holding

- Based on fundamentals, valuation levels and market liquidity and portfolio management's conviction



Risk management by the portfolio management team

The fund is exposed to a risk of capital loss

Source: ODDO BHF AM SAS | Data as of 2021

ODDO BHF Future of Finance

Why invest in ODDO BHF Future of Finance ?



A theme on the rise: The Future of Finance

The impact of technology in the financial industry is increasingly visible and will continue to accelerate. The emergence of disruptive business models and changes in consumer habits give active investors the opportunity to gain exposure to a structurally growing theme: new ways of financing the economy.

A comprehensive exposure to the theme



Selection of companies of all sizes and sectors on a global scale, investing in both innovative banks and their new competitors (FinTech & non-banking companies) that challenge them on their historical markets.

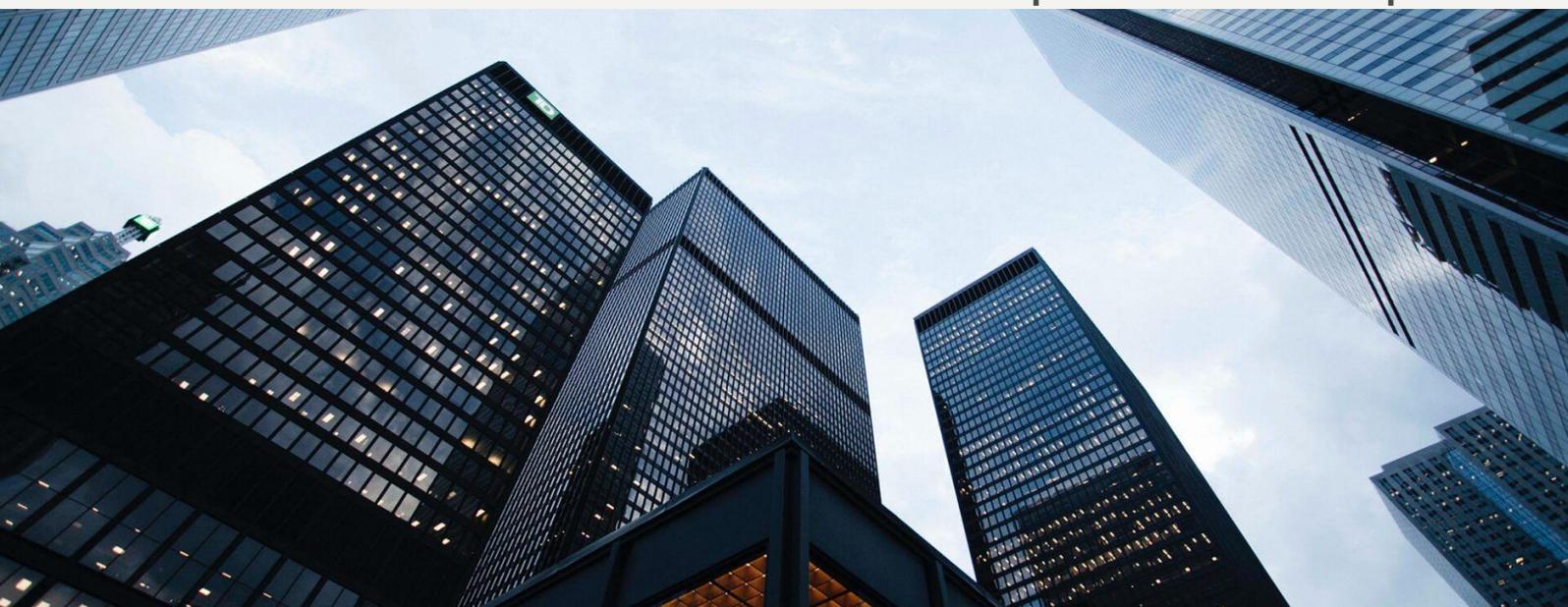
4 sub-themes with growth potential according to our analysis: Banks, Payment & Transactional Services, Specialized Financial Services and Disruptive Financial Companies.



A conviction-based and specialized investment process

The fund is managed by Alex Koagne, who has more than 15 years of investment experience in Financials and combines a top-down approach, to define the most attractive sub-themes, with an in-depth fundamental analysis.

The fund is exposed to a risk of capital loss



Risks

ODDO BHF Future of Finance is principally exposed to the following risks: Risk of capital loss, risk associated with discretionary management, equity risk, risk associated with sector concentration in the portfolio, currency risk, counterparty risk, risk associated with holdings of small and mid caps, risk associated with commitments on forward financial instruments, liquidity risk of underlying assets, emerging market risk, durability risk and on an ancillary basis: credit risk and interest rate risk.

The investor is invited to read the Key Investor Information Document and the fund prospectus for detailed information concerning the risks to which the fund is exposed.

Countries where ODDO BHF Future of Finance is available for distribution:
France, Switzerland, Spain, Italy, Germany

General Characteristics

Fund name	ODDO BHF Future of Finance
Benchmark index	MSCI ACWI Financials index (net return) in euro
Investment objective	The Fund's objective is to generate capital growth by investing in listed international equities of companies that benefit from the long-term changes and trends contributing to the evolution and transformation of the international financial sector. The Fund invests in a variety of financial themes, and especially in the following four non-exclusive sub-themes: banks, payment and transaction services, specialized financial services and disruptive financial companies.
Recommended investment horizon	5 years
Inception date	10/08/2007
Eligibility for the equity savings scheme PEA	No

Class of units	CR-EUR	CR-USD [H]
ISIN code	FR0010493957	FR0014003V10
Currency	EUR	USD
Dividend policy	Accumulation	Accumulation
Minimum initial subscription	EUR 1 thousandth of unit	USD 250,000
Subscription fees	4% maximum	4% maximum
Management fees	Up to 2% of the net assets	Up to 2% of the net assets
Redemption fees	None	
Performance fees	A maximum of 20% of the Fund's outperformance relative to the benchmark index provided that the Fund's performance is positive.	A maximum of 20% of the Fund's outperformance relative to the benchmark index provided that the Fund's performance is positive.

Structure and technical information

Legal structure	FCP
Investment management company	ODDO BHF Asset Management SAS
Custodian	Caceis Bank
Subscription / redemption	Daily at unknown price until 11:15 (am)
Valuation frequency	Daily

ODDO BHF AM is the asset management division of the ODDO BHF Group. It is the common brand of five legally separate asset management companies: ODDO BHF AM SAS (France), ODDO BHF PRIVATE EQUITY (France), ODDO BHF AM GmbH (Germany), ODDO BHF AM Lux (Luxembourg) and METROPOLE GESTION (France).

This document has been drawn up by ODDO BHF ASSET MANAGEMENT SAS. for market communication. Its communication to any investor is the exclusive responsibility of each distributor or advisor.

Potential investors should consult an investment advisor before subscribing to the fund. The investor is informed that the fund presents a risk of capital loss, but also many risks linked to the financial instruments/strategies in the portfolio. In case of subscription, investors must read the Key Investor Information Document (KIID) and the fund's prospectus in order to acquaint themselves with the detailed nature of any risks incurred and all costs. The value of the investment may vary both upwards and downwards and may not be returned in full. The investment must be made in accordance with investors' investment objectives, their investment horizon and their capacity to deal with the risk arising from the transaction. ODDO BHF ASSET MANAGEMENT SAS cannot be held responsible for any direct or indirect damages resulting from the use of this document or the information contained in it. This information is provided for indicative purposes and may be modified at any moment without prior notice.

Any opinions presented in this document result from our market forecasts on the publication date. They are subject to change according to market conditions and ODDO BHF ASSET MANAGEMENT SAS shall not in any case be held contractually liable for them. The net asset values presented in this document are provided for indicative purposes only. Only the net asset value marked on the transaction statement and the securities account statement is authoritative. Subscriptions and redemptions of mutual funds are processed at an unknown asset value. A summary of investor rights is available free of charge in electronic form in English language on the website at : https://am.oddo-bhf.com/France/en/non_professional_investor/infos_reglementaire The fund may have been authorized for distribution in different EU member states. Investors are advised to the fact that the management company may decide to withdraw with the arrangements it has made for the distribution of the units of the fund in accordance with Article 93a of Directive 2009/65/EC and Article 32a of Directive 2011/61/EU.

The complaints handling policy is available on our website am.oddo-bhf.com in the regulatory information section. Customer complaints can be addressed in the first instance to the following e-mail address: service_client@oddo-bhf.com The Key Investor Information Document (French, English, Italian, Spain, German)) and the prospectus (FR, ENG) are available free of charge from ODDO BHF ASSET MANAGEMENT SAS or at am.oddo-bhf.com or at authorized distributors. The annual and interim reports are available free of charge from ODDO BHF ASSET MANAGEMENT SAS or on its internet site am.oddo-bhf.com

The fund is licensed for sale in Switzerland. The Key Investor Information Document, the prospectus, the annual and interim reports for Switzerland can be obtained free of charge from the Swiss Representative and paying agent, RBC INVESTOR SERVICES BANK, succursale de Zürich, Bleicherweg 7, 8027 Zürich, Switzerland.

ODDO BHF Asset Management SAS (France)

Portfolio management company approved by the Autorité des Marchés Financiers under GP 99011.
Société par actions simplifiée with capital of €21,500,000. 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

am.oddo-bhf.com