

ODDO BHF Future of Finance

JOIN THE *new era of Finance*

JANUARY 2024

Launched in

2007

Assets under management

€ 39M

CAPITALIZE ON THE NEW WAYS TO FINANCE THE ECONOMY, ACCORDING TO OUR ANALYSIS

- A unique fund capturing a secular growth theme by investing in both **innovative incumbent players in the financial industry** and **newcomers trying to disrupt them**
- According to us, financial companies that will be able to rethink their brand, business model and operational processes in order to meet the new consumer patterns will be those that create the **most value for their shareholders in the long term**
- An exposure to 4 sub-trends with **yield and/or growth potential**
- The Fund aims to invest at least 90% of net assets in 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).

BANKS

- Capital
- Digitalization
- M&A
- Returns

INSURANCE

- Investment
- Digitalization
- M&A
- Insurtechs

SPECIALIZED FINANCIAL SERVICES

- ESG/ ISR
- M&A
- Passive investment
- Private markets

FINTECH

- Data revolution
- Disruption
- Secular growth
- User experience

CHARACTERISTICS OF THE FUND

Fonds	SFDR classification ⁽¹⁾	Summary risk indicator ⁽²⁾
ODDO BHF Future of Finance	6 8 9	①②③④ 5 ⑥⑦

Main Risks: ODDO Future of Finance is principally exposed to the following risks: **risk of capital loss, equity risk, risk associated with holdings of small and mid caps, risk associated with the discretionary management, sustainability risk and currency risk.** For more details about risks, please refer to page 5 of this document.

¹ The EU Sustainable Finance Disclosure Regulation (SFDR) is a set of EU rules which aim to make the sustainability profile of funds transparent, more comparable and better understood by end investors. Article 6: The management team does not consider sustainability risks or adverse effects of investment decisions on sustainability factors in the investment decision making process. Article 8: The management team addresses sustainability risks by integrating ESG criteria (Environment and/or Social and/or Governance) into its investment decision making process. Article 9: The management team follows a strict sustainable investment objective that significantly contributes to the challenges of the ecological transition, and addresses Sustainability Risks through ratings provided by the Management Company's external ESG data provider. ² The summary risk indicator (SRI) is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. It scales in a range from 1 (lowest risk) to 7 (highest risk). The lowest category does not mean a risk-free investment. This indicator is not constant and is updated if the risk profile of the fund changes over time. Historical data, such as is used to calculate the risk indicator, 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 will actually be met. The risk indicator assumes you keep the product until the end of the recommended holding period. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

Source: BCG, ODDO BHF AM SAS | Data as of 31/12/2023

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THE FINANCIAL REVOLUTION

New ways to finance the economy

A THEME WITH GROWTH POTENTIAL NOT YET FULLY RECOGNIZED BY THE MARKET

- Participate in the major trends that shape the future of the global economy through their financing
- The past decade has seen rapid technology-driven innovation in the financial industry
- Banks are more and more forming partnerships with their digital competitors
- In the area of payments, FinTechs are now competing most strongly with banks: they have a market share of 15 to 20% in retail and wholesale payments, according to BCG.
- Covid-19 accelerated the adoption of digital technologies by several years and many of the changes could be here for the long haul, according to McKinsey



"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."

BANKS ARE DISRUPTED, ACCORDING TO OUR ANALYSIS

PAST

- Historically, banks had a dominant position in all business lines and along the value chain
- Few players specialised in payments business

GENERALISTS

Banks  

TRANSACTION FACILITATION

Specialised players 




FUTURE

- Increasing penetration of specialised players and new players in all businesses and along the value chain




GENERALISTS

Banks  




DISTRIBUTION

FinTech 
Big Tech 
Neobanks 

TRANSFORMATION AND RISK ALLOCATION

Big Tech 
FinTech / Neobanks 
Shadow-Banking 

TRANSACTION FACILITATION

FinTech 
Big Tech 
Specialised players 

Those examples are not investment recommendations

Source: BCG (2021), MS Research, McKinsey (2020) ODDO BHF AM SAS, UBS | Data as of 2023



4 SUB-THEMES REPRESENTING THE *future of finance*

A comprehensive exposure to the mutations of the financial industry via the most attractive sub-themes connected to the “Future of Finance” theme, **according to our analysis.**

BANKS

- The shift from **physical to digital** is underway
- Digital finance, already a force for inclusion, has brought yet more people into the banking system
- Incumbents are digitalizing their services and forging partnerships with **FinTechs** to improve user experience
- Banks are not growing fast but they are profitable and thus offer potentially attractive **capital return**

INSURANCE

- The shift from **physical to digital** is underway
- Insurers are **fast adopters of new technologies** like blockchain to gain in efficiency
- Single digit EPS growth, **strong capital generation and potentially attractive capital return**

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 potentially prove a winning strategy to combat the enduring pressure from ETFs/Passives.

FINTECH

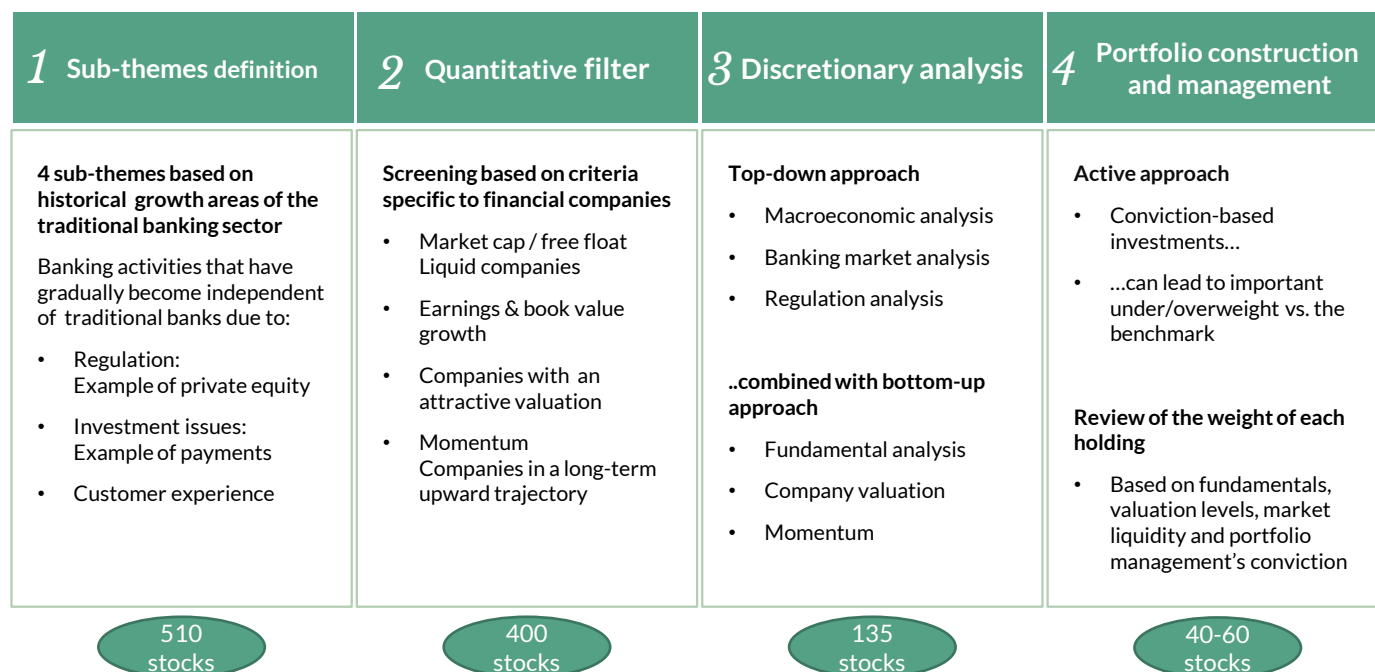
- **FinTechs are specialized** in various business segments and potentially disrupt traditional incumbent activities
- Ability to **collect and exploit data** is the new standard
- The most prominent applications are mobile payments, automated investment apps (robo-advisors), cryptocurrency, online lending businesses or crowdfunding platforms

The fund presents a risk of capital loss

Source: ODDO BHF AM SAS | Data as of 2023

ACTIVE AND CONVICTION-BASED *Investment process*

COMBINING A TOP-DOWN ANALYSIS AND A BOTTOM-UP APPROACH



RISK MANAGEMENT BY THE PORTFOLIO MANAGEMENT TEAM

A *dedicated* MANAGEMENT TEAM

WITH EXTENSIVE EXPERIENCE IN ANALYZING FINANCIAL COMPANIES



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ALEX KOAGNE
Analyst & Portfolio Manager
specialized in Financials
ODDO BHF AM SAS



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CHRISTOPHE SANCHEZ
Analyst & Portfolio Manager
specialized in Financials
ODDO BHF AM SAS



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OLIVIER DINCAN
Analyst & Portfolio Manager
specialized in Financials
ODDO BHF AM SAS

● Years of investment experience

Current management team, subject to change

The fund presents a risk of capital loss

Source: ODDO BHF AM SAS | Data as of 2023

WHY *invest* IN ODDO BHF FUTURE OF FINANCE, ACCORDING TO US ?

A THEME ON THE RISE: THE FUTURE OF FINANCE

The impact of technology on 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 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.

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, Insurance, Specialized Financial Services and Fintech.

RISKS

ODDO BHF Future of Finance is mainly exposed to the following risks: **risk of capital loss, equity risk, risk associated with discretionary management, currency risk, risk associated with commitments on forward financial instruments, counterparty risk, risks associated with portfolio concentration, liquidity risk of underlying assets, risk associated with holding small and medium capitalisations, emerging markets risk, Sustainability risk and on an ancillary basis interest rate risk, credit risk**

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



General characteristics

Fund name	ODDO BHF Future of Finance	
Benchmark index	MSCI ACWI Financials Index Net Return EUR	
Investment objective	The fund's objective is to outperform its benchmark index (MSCI ACWI Financials Index Net Return) over a period of 5 years.	
Recommended investment horizon	5 years	
Inception date	10/08/2007	
Change of strategy date	15/09/2021	
AMF classification	International Equity	
Class of units	CR-EUR	CI-EUR
ISIN code	FR0010493957	FR0011156215
Currency	EUR	EUR
Dividend policy	Accumulation	Accumulation
Minimum initial subscription	1 thousandth of a unit	EUR 250,000
Subscription fees	4 % (maximum)	
Management fees	2% maximum of the net assets, inclusive of tax	1% maximum of the net assets, inclusive of tax
Redemption fees	None	
Performance fees	20 % maximum of the outperformance relative to the benchmark index if the fund performance is positive	
Transaction fees	Transaction fees are listed in the prospectus and may be applied in addition to the fees shown above.	
Structure and technical information		
Legal structure	FCP	
Investment management company	ODDO BHF Asset Management SAS	
Custodian	Caceis Bank	
Subscription / redemption	Daily at an unknown price until 11:15 am	
Valuation frequency	Daily	
Authorised for distribution	France, Germany, Italy, Switzerland, Spain	

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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 (or directly to the Consumer Mediation Service: <http://mediationconsommateur.be> (ONLY FOR BELGIUM)).

The Key Information Document (French, English, Italian, Spain, German) and the prospectus (French, English) 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 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 INVESTORSERVICES BANK, succursale de Zürich, Bleicherweg 7, 8027 Zürich.

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.

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Source: ODDO BHF AM SAS | Data as of 2023