

# ODDO BHF Euro High Yield Bond

Luxembourg SICAV Subfund – UCITS

JANUARY 2020



Fund invested in European speculative high yield bonds



Fund launched in  
**JUNE 2000**

**€ 647m**  
under management

## Why speculative High Yield Bonds funds are potentially attractive?

- High Yield bond funds give access to a diversified portfolio of High Yield Bonds
- High yield bonds are nevertheless exposed to a higher default risk compared to investment grade bonds. However, active management may help to reduce default risk and increase income potential by thorough credit selection

## Our investment approach

- Bond selection based on fundamental credit analysis
- Team-based investment decisions
- Broad diversification with the objective of reducing credit risk
- Applying rigorous sell discipline in case of deterioration of credit quality
- Conservative approach - no default observed in the fund since inception

## Our investment universe

- 2/3 minimum Euro denominated bonds with speculative high yield rating below BBB
- Non-Financial issuers

### Ratings scale (ratings agency and/or internal analysis)

|                           |                          |     |                  |                                 |
|---------------------------|--------------------------|-----|------------------|---------------------------------|
|                           | Best quality             | AAA | Investment Grade | -<br>Credit/ Default risk yield |
|                           | Quality                  | AA  |                  |                                 |
|                           | Average quality          | A   |                  |                                 |
|                           | Average quality or below | BBB | High yield       | +<br>Credit/ Default risk yield |
| Target of our investments | Average default risk     | BB  |                  |                                 |
|                           | Significant default risk | B   |                  |                                 |
|                           | High default risk        | CCC |                  |                                 |
|                           | Payment default          | D   |                  |                                 |

Source: ODDO BHF AM GmbH

## Interests of Euro High Yield Bonds according to our analysis

- Historically Euro High Yield bond market has offered better return than the European Equity market with less volatility. However, past performances are not a reliable indicator of future performances and are not stable over time
- Euro High Yield bonds offer compelling yields compared to Euro denominated government bonds and other investment grade corporate bonds<sup>2</sup>
- High Yield bonds are characterized by relatively low interest rate sensitivity compared to other fixed income asset classes such as sovereign bonds or those rated investment grade

### Risks

The fund ODDO BHF Euro High Yield is mainly exposed to: **a risk of capital loss, credit risk, and risk associated with high yield bonds.**

For more details about risks, please refer to the back of this document.

Past performances are not a reliable indicator of future performances and are not stable over time.

\*Synthetic risk and return indicator: for low risk, potential return is lower, and for high risk, potential return is higher. The risk profile is not constant, and may change over time. <sup>1</sup> CR-EUR, <sup>2</sup>potentially higher default risk

Sources: ODDO BHF AM GmbH, FWW Fundservices GmbH. Please take note of the information given at: <http://fww.de/disclaimer/>; Data as of 30/12/2019



## Risks

The fund named in this presentation is exposed to a certain number of risks: Risk of capital loss, risk associated with discretionary management, Interest rate risk, credit risk, counterparty risk, risk associated with high yield bonds, volatility risk, small and medium companies risk, currency risk, liquidity risk, region, country and industry concentration risk, Emerging Markets risk, call risk, government investment restrictions risk, risks associated with securities financing transactions and collateral management, risk associated with commitments on forward financial instruments, operational risk, legal risk.

**Investors should consult the KIID and the fund prospectus to obtain detailed information on risks to which the fund is exposed.**

## Portfolio Managers\*

**Alexis Renault, CFA**  
Head of High Yield ODDO BHF AM GmbH  
23 years investment experience

## Credit management capabilities\*

11 portfolio managers/analysts High Yield

## General characteristics

|                           |  |  |
|---------------------------|--|--|
| Fund name                 | ODDO BHF Euro High Yield Bond  |  |
| Benchmark index           | BOFA ML Euro BB-B Non Financial Fixed Floating Rate HY Constrained Index |  |
| Investment objective      | The objective is to provide a high level of income and capital growth.   |  |
| Minimum investment period | 5 years  |  |
| Inception date            | 30-Jun-2000  |  |
| Morningstar™ category     | Euro High Yield Bond   |  |

| Unit classes                 | CR-EUR                | DR-EUR                |
|------------------------------|-----------------------|-----------------------|
| ISIN code                    | LU0115290974          | LU0243919577          |
| Currency                     | EUR                   | EUR                   |
| Type of shares               | Accumulation          | Distribution          |
| Minimum initial subscription | EUR 100               | EUR 100               |
| Subscription fees            | 5% max of net asset   | 5% max of net asset   |
| Management fees              | 1.4% max of net asset | 1.4% max of net asset |
| Redemption fees              | None                  | None                  |
| Outperformance fee           | None                  | None                  |

## Technical structure and information

|                           |                                    |  |
|---------------------------|------------------------------------|--|
| Legal status              | Luxembourg SICAV                   |  |
| Management company        | ODDO BHF Asset Management SAS      |  |
| Management delegation     | ODDO BHF Asset Management GmbH     |  |
| Custodian                 | CACEIS                             |  |
| Subscriptions/redemptions | Daily at unknown price until 16:00 |  |
| Valuation frequency       | Daily                              |  |

\* Current management team, liable to change

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## ODDO BHF Asset Management SAS (France)

Portfolio management company approved by the Autorité des Marchés Financiers under GP 99011.

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