

ODDO BHF Sustainable European Convertibles

CR-EUR - Eur | FIXED INCOME - CONVERTIBLE BONDS - EUROPE

Assets Under Management **72 M€** Morningstar™ Category:
 NAV per Unit **166.44€** Convertible Bond - Europe
 Evolution vs M-1 **0.70€** ★★ Rating at 3/31/21
 Rating at 2/28/21

① ② ③ ④ ⑤ ⑥ ⑦
 Risk/return scale (*)

Countries in which the fund is authorised for distribution to the public:
 FR IT CH DE NL AU PT ES BE



The ISR label mentioned above is only valid within the EU.

Portfolio Managers	
Olivier BECKER, Christophe SANCHEZ	
Management company	
ODDO BHF Asset Management SAS	
Key features	
Benchmark Exane ECI Eurozone	
Recommended investment horizon: 2 Years	
Inception date (1st NAV): 9/14/00	
Inception date of the fund: 9/14/00	
Legal structure	FCP
ISIN code	FR0000980989
Bloomberg code	CYCONTX FP
Currency	Euro
Dividend policy	Accumulation unit
Minimum (initial) investment	1 thousandth of a unit
Later minimal subscription	1 thousandth of a unit
Management company (by delegation)	-
Custodian	ODDO BHF SCA, France (Paris)
Administration and Accounting	EFA
Subscriptions/redemptions	11:15am D
NAV calculation frequency	Daily
Country of domicile	France
Management fees	Maximum 1.00% of the net assets, inclusive of tax.
Performance fees	N/A
Subscription fees	4 % (maximum)
Redemption fees	Nil
Ongoing charges	1 %
Transaction fees received by the Management Company	Transaction fees are listed in the prospectus and may be applied in addition to the fees shown above.

Investment strategy

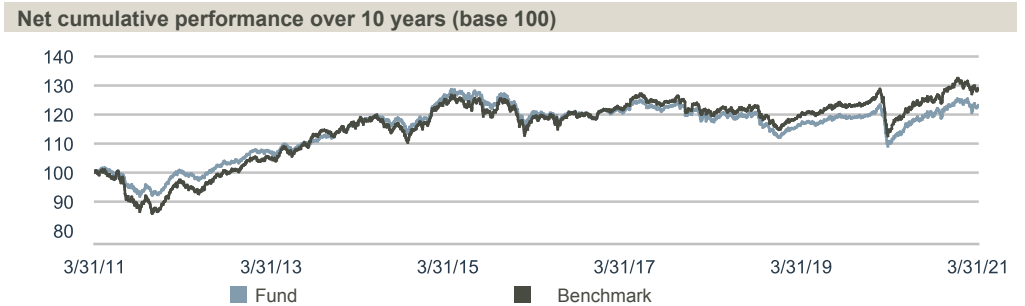
The Fund's objective is to outperform the benchmark index, the Exane ECI Euro Index, over a minimum investment horizon of two years, while taking ESG criteria into account.

Net annual performance over 5 years (12-months rolling)					
from	3/31/16	3/31/17	3/29/18	3/29/19	3/31/20
to	3/31/17	3/29/18	3/29/19	3/31/20	3/31/21
Fund	0.9%	-3.0%	-1.1%	-5.1%	11.3%
Benchmark	2.8%	-2.2%	-0.2%	-4.3%	12.6%

Calendar performance (from January 01 to December 31)					
	2016	2017	2018	2019	2020
Fund	-2.1%	-1.2%	-6.4%	6.3%	4.2%
Benchmark	-1.1%	0.0%	-5.2%	7.6%	6.1%

Cumulative and annualized net returns										
	Annualized performance					Cumulative performance				
	3 years	5 years	10 years	1 month	YTD	1 year	3 years	5 years	10 years	
Fund	1.5%	0.4%	2.1%	0.4%	-1.1%	11.3%	4.4%	2.2%	23.2%	
Benchmark	2.4%	1.6%	2.6%	0.3%	-1.8%	12.6%	7.4%	8.1%	29.0%	

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



Annualized volatility					
	1 year	3 years	5 years	10 years	
Fund	6.3%	5.8%	5.4%	5.2%	
Benchmark	6.6%	6.2%	5.7%	6.3%	

Main portfolio derivatives		
Product	Type	Exposure (%)
Put Euro Stoxx 50 (Eux) Sep21 P3350	Equity Option	-1.4%
Put Euro Stoxx 50 (Eux) Dec21 P3600	Equity Option	-1.2%
Call Euro Stoxx Banks (Eux) Sept21 C95	Equity Option	0.3%

Key indicators		
	Fund	Benchmark
Equity sensitivity	40	37
Modified duration*	2.5	3.1
Average maturity (year)	3.7	4.3

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

*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®

Sustainalytics provides company-level analysis used in the calculation of Morningstar's Sustainability Score.

(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.

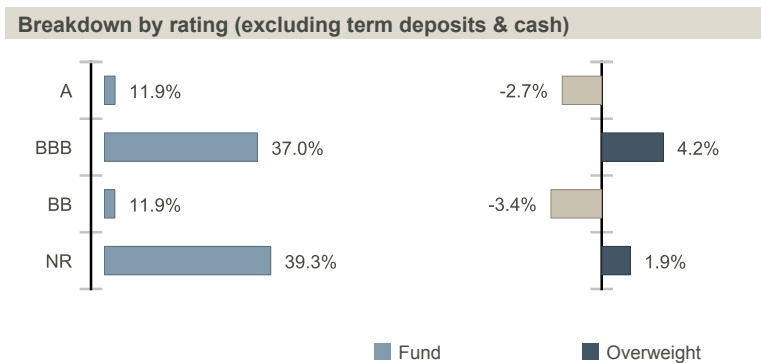
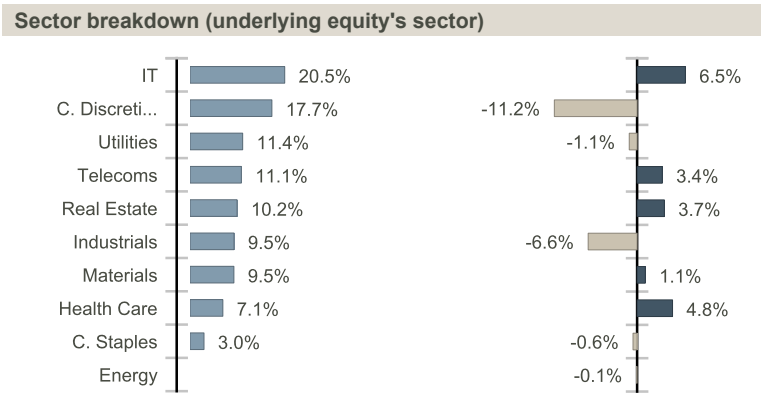
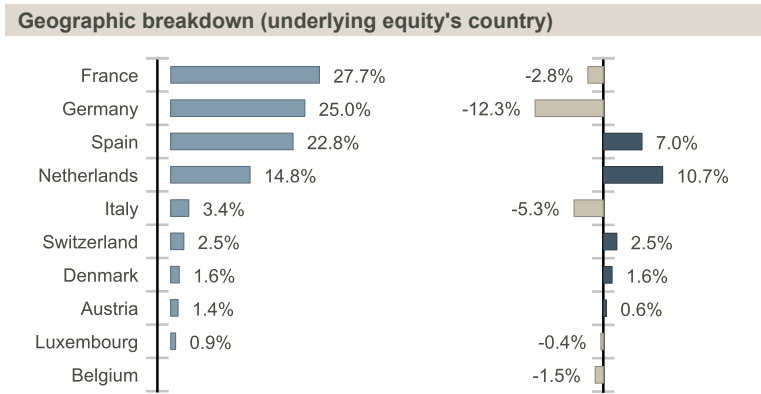
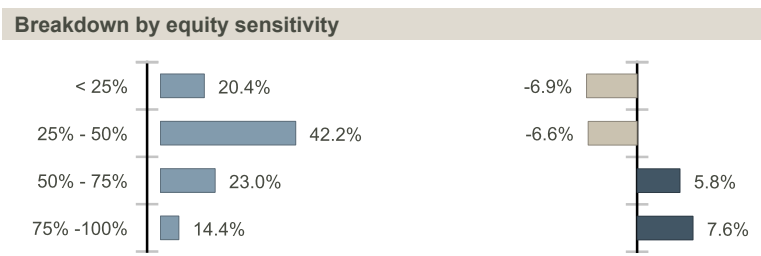


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Risk measurement	3 Years	5 Years
Sharpe ratio	0.29	0.14
Information ratio	-0.79	-0.89
Tracking Error (%)	1.30	1.31
Beta	0.92	0.91
Correlation coefficient (%)	97.88	97.40
Jensen's Alpha (%)	-0.79	-1.00



Weighted carbon intensity (tCO2e / €m turnover)

	Fund	Benchmark
Weighted carbon intensity	79.9	122.8
Coverage ratio	76.3%	75.4%

Source MSCI. We use scopes 1 (direct emissions) and 2 (indirect emissions related to electricity, heat or steam consumption) to calculate the carbon intensity, expressed in tonnes of CO2 equivalent per million euros of revenues. Cash and other derivatives are not covered.

Main portfolio holdings

	Weight in the fund (%)	Weight in the benchmark (%)	Country	Sector	ESG rank*
Cellnex Telecom Sa 1.50% 01/2026	5.24	1.79	Spain	Telecoms	4
Deutsche Wohnen Ag 0.33% 07/2024	4.33	2.30	Germany	Real Estate	3
Iberdrola Intl Bv 0.00% 11/2022	4.07	2.50	Spain	Utilities	4
Electricite De France Sa 0.00% 09/2024	3.38	4.08	France	Utilities	2
Leg Immobilien Ag 0.88% 09/2025	3.15	1.28	Germany	Real Estate	2
Amadeus It Group Sa 1.50% 04/2025	3.13	2.83	Spain	IT	5
Rag-Stiftung 0.00% 06/2026	2.97	1.59	Germany	Materials	5
Deutsche Post Ag 0.05% 06/2025	2.94	2.99	Germany	Industrials	4
Safran Sa 0.88% 05/2027	2.78	3.14	France	Industrials	3
Atos Se 0.00% 11/2024	2.74	1.44	France	IT	5
Number of holdings	54				
Weight of combined convertible bonds (3):	0.9%				

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

* : rebased on the rated part of the fund | 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.

The ESG approach consists in selecting companies with the best environmental, social and governance policies by favouring the best-rated issuers within an investment universe in terms of non-financial criteria (Best in Universe) and/or issuers showing an improvement in their ESG practices over time (Best Effort).

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SUSTAINABLE REPORT - OVERVIEW

Weighted average ESG rank

	Fund		Benchmark	
	March 2021	March 2020	March 2021	March 2020
ESG rank	3.5	3.3	3.2	3.4
ESG coverage**	94.3%	94.8%	96.2%	96.7%

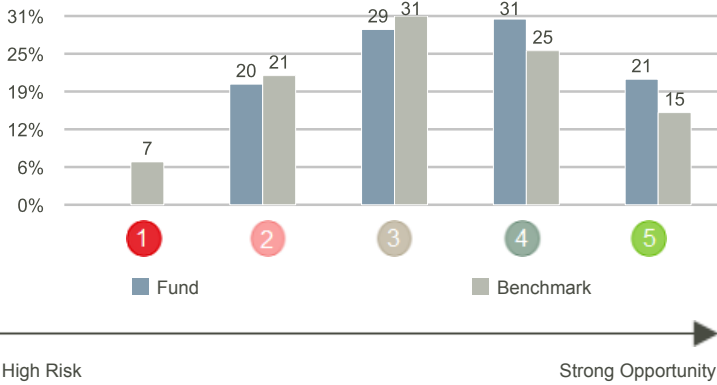
In accordance with the update to our ESG integration policy published on 30 June 2017, the internal ESG rating scale now ranks the investment universe from 1 (High Risk) to 5 (Strong Opportunity) in ascending order.

Benchmark : Exane ECI Eurozone

Weighted average E,S and G rank*



ESG rank breakdown** (%)



TOP 5 ESG rank

	Sector	Country	Weight in the fund (%)	ESG rank*
Amadeus It Group Sa 1.50% 04/2025	IT	Spain	3.13	5
Rag-Stiftung 0.00% 06/2026	Materials	Germany	2.97	5
Atos Se 0.00% 11/2024	IT	France	2.74	5
Nexity Sa 0.25% 03/2025	Real Estate	France	1.99	5
Adidas Ag 0.05% 09/2023	C. Discretionary	Germany	1.72	5
Subtotal top 5	-	-	12.55	-

ESG characteristics (Compared to last year)

	Fund	Evolution	Benchmark	Evolution	
Environment					
Fossil fuel exposure	3.4%	●	5.2%	●	Source MSCI. Percentage of revenue exposed to fossil fuels, based on MSCI' coverage rate for the portfolio and for the comparison index.
Carbon solutions exposure "green part"	30.1%	●	25.9%	●	Source MSCI. Percentage of revenue exposed to carbon solutions (renewable energies, sustainable mobility, etc.), based on MSCI' coverage rate for the portfolio and for the comparison index.
Social					
5Y Employee growth (%)	5.3%	●	8.4%	●	5-year geometric growth rate of the number of employees calculated according to the following formula: (number of employees in the current year / number of employees same period 5 years ago) ^{0.2-1} x 100
Female Executives	5.4%	●	9.5%	●	Number of female executives, as a percentage of total executives, at the end of the financial year if available, otherwise at the date of the last report.Executives are as defined by the Company or persons who are members of the Company's Executive Committee or Management Committee or its equivalent.
Governance					
UN Global Compact signatory	57.2%	●	38.5%	●	Percentage of portfolio companies that are signatories to the United Nations Global Compact compared to the percentage of signatory companies in the benchmark.
Board members' independence	74.5%	●	70.6%	●	Percentage of independent directors on the Boards of Directors of portfolio companies and the comparative index.
Human Rights					
Implementation of Human rights policy	86.3%	●	89.4%	●	Percentage of companies in the portfolio that have implemented one or more initiatives to protect human rights compared to the benchmark.

● Improvement ● No change ● Weakening

*ESG rank at the end of the period: 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

** : rebased on the rated part of the fund



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SUSTAINABLE REPORT – METHODOLOGY

ODDO BHF AM considers that measuring the environmental, social and governance impact of an investment is an essential step in disseminating good practices in ESG integration. To do this, it is imperative to have reliable, simple quantitative criteria (no reprocessing) and to allow comparison between portfolios regardless of their composition (large vs midcaps, geographical and sectoral diversity). The choice of indicators is therefore crucial for the relevance of impact measurement.

We systematically indicate the availability of the data at the level of the portfolio and its benchmark.

ESG integration at ODDO BHF Asset Management | 3 systematic steps

1. Exclusions

- Norm-based: exclusion of companies that do not comply with certain international standards.
- Sector-based: total or partial exclusion of sectors or activities based on ethical considerations.

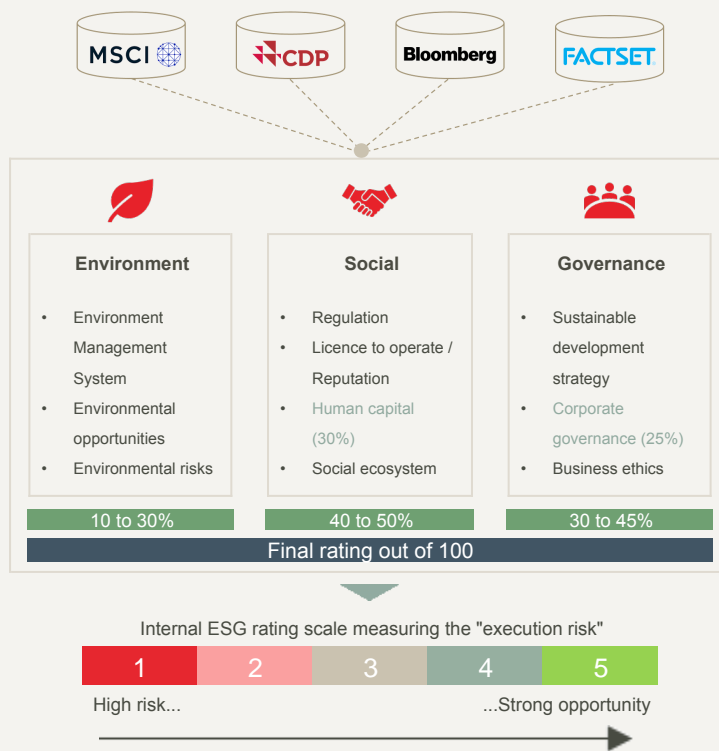
2. ESG ratings

- Internal model based on a « Best-in-Universe » approach: a bottom-up, stock-picking approach that favors top-rated companies in the entire investment universe.

3. Dialogue and engagement

- Systematic dialogue with low-ESG rated issuer (1/5)
- Divestment if no positive result within 18 to 24 months

ESG rating methodology



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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Monthly management comment

Investors' spirits were buoyed by expectations raised by the second part of the US stimulus plan and results publications that were better than anticipated overall. This enabled the equity markets to return to growth in March (+6.1% for the STOXX 600 and +4.2% for the S&P 500), despite the continued rise in US 10-year yields (+34 bps to 1.74%). The German 10-year yield dropped 3 bps to -0.29%. The iTraxx Main widened by 1 bp to 52 bps, whereas the X-Over tightened by 45 bps to 221 bps. The convertible bond market achieved positive performance over the month (+0.34% for our benchmark index), just like our fund. The fund benefited from its overweight on Cellnex and Iberdrola, its exposure to a certain number of off-benchmark conviction plays, which worked well (BE Semiconductor and Sika) and from its lack of exposure to Umicore, Global Fashion Group and Morphosys. On the other hand, the fund was hampered by its lack of exposure to Delivery Hero, GEA Group and Prysmian. The primary market remained active in March, with issues including Global Fashion Group (EUR 375 million, maturing 2028), Helios Towers (USD 250 million, maturing 2027), FNAC Darty (EUR 200 million, maturing 2027), GBL (EUR 500 million, maturing 2026) and Dufry (CHF 500 million, maturing 2026). We did not participate in any of these issues, as we either had no fundamental convictions regarding them or found the convertible bond issue somewhat expensive (FNAC Darty and GBL). On the secondary market, we increased our exposure to Pirelli, Safran and Amadeus and opened positions in Michelin and Lufthansa. We reduced our exposure to Grand City Properties, Deutsche Post and Edenred and ended our exposure to Airbus/Dassault Aviation, Elis and HelloFresh. Finally, we should note that convertible bond prices decreased over the month, with implied volatility at 33.8% at the end of March, down 2.1 points over one month and nearly back to its end-2020 levels (33.9%), after peaking at 36.3% in mid-February. The spread between the implied volatility of convertible bonds and listed options tightened while remaining in positive territory at 2.0 points (down 1.2 points since end-February). The fund adopted a more dynamic positioning for the coming weeks, with delta slightly above that of its benchmark.

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

Disclaimer

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