

Website disclosures

PRODUCT NAME: ODDO BHF Global Target Green 2028

LEGAL ENTITY IDENTIFIER: 969500XPDH1A64WTNM31

SUMMARY

Does this financial product have a sustainable investment objective?

●● <input type="checkbox"/> Yes	●● <input checked="" type="checkbox"/> No
<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of sustainable investments <input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: N/A <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: N/A	<input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

Summary

The sub-fund's investment strategy is to manage a diversified portfolio of debt securities composed, up to a limit of 100% of the sub-fund's net assets, of traditional, high yield bonds rated between BB+ and CCC (by Standard & Poor's or equivalent as assessed by the Management Company, or according to an internal rating), mainly issued (at least 60%) by corporate issuers with their registered office in an OECD member country and with maturities of a maximum of six months and one day after 31 December 2028 (final maturity of the product or early redemption options at the sub-fund's discretion). Within the limit of 40% of the net assets, the sub-fund may hold securities from corporate issuers whose registered office is located outside of the OECD, including in emerging countries. The sub-fund will implement its investment strategy over an investment period through to a maturity date set by the Management Company (initially 31 December 2028). As part of our sustainable investment strategy, the Sub-fund is an Article 8 fund under the SFDR1. It promotes environmental and social characteristics. The current and future sustainability activities of issuers are analyzed, and sustainability opportunities and risks integrated into investment decisions; the significant negative impact of investment decisions on sustainability factors are also taken into account. The investment process is based on ESG integration, ESG ratings, normative and sector exclusions (including UN Global Compact, controversial weapons), and positive selection.

SUSTAINABLE INVESTMENT OBJECTIVE

The minimum share of sustainable investments with an environmental objective is 5%.

¹ Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector.

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The Sub-fund promotes environmental and/or social characteristics that are reflected in the construction and weighting of the Management Company's internal ESG rating system. The internal ESG analysis process is twofold:

- "best-in-universe": the Management Company favors the highest-rated issuers regardless of their size or business sector.
- "best effort": the Management Company values the progress made over time by issuers, thanks to direct dialogue with them.

These two stages may mean that companies excluded because of their low ESG profile but with strong potential for progress in sustainability may be brought back into the investment universe. As part of the company rating process, the following criteria, among others, are analyzed:

- Environmental: energy consumption, water consumption, waste management, environmental certifications, products and services with added environmental value or climate risk management.
- Social: human capital (human resources management, diversity of management teams, employee training, health, and safety, etc.), supplier management or innovation.
- Governance: corporate governance (preservation of minority shareholder's interests, composition of governance bodies, remuneration policy, etc.), fiscal responsibility, or exposure to risk of corruption. The Management Company pays close attention to the analysis of human capital and corporate governance, which has an impact on the final ESG rating of each company.

Our analyses are conducted in collaboration by our management and our ESG analyst teams and enable us to identify the non-financial risks to which each issuer is potentially exposed (corruption, reputation, regulation, retention of talent, product quality and safety, etc.). They allow us to understand if these constitute a significant risk in the delivery of the strategy and published targets. In this way, the result of our ESG analysis is a concrete expression of the risk of executing an issuer's medium and long-term strategy. The analysis of controversies (industrial accidents, pollution, convictions for corruption, anti-competitive practices, product safety, supply chain management, etc.), based on information provided by our external nonfinancial data provider, is integrated into the rating process, and directly influences the ESG rating of each company.

This internal ESG analysis results in an internal rating system on a scale of 1 (worst) to 5 (best): High ESG Opportunity (5), ESG Opportunity (4), ESG Neutral (3), Moderate ESG Risk (2) and High ESG Risk (1). The management team takes ESG criteria into account in its investment decisions, but they are not the dominant factor, so the investment decisions taken may not be consistent with ESG criteria.

INVESTMENT STRATEGY

The Sub-fund's investment strategy is to manage, on a discretionary basis, a diversified portfolio of debt securities composed, up to a limit of 100% of the Sub-fund's net assets, of traditional, high yield bonds rated between BB+ and CCC (by Standard & Poor's or equivalent as assessed by the Management Company, or according to its own internal rating), of which at least 60% are issued by corporate issuers with their registered office in an OECD member country and with maturities of a maximum of six months and one day after 31 December 2028 (final maturity of the product or early redemption options at the sub-fund's discretion).

ESG (environmental, social and governance) criteria are another factor in fundamental analysis. The management team takes ESG (environmental, social and governance) criteria into account in its investment decisions, but they are not the dominant factor, so the investment decisions taken may not be consistent with ESG criteria.

This approach can be broken down into two consecutive stages.

- First stage: the Sub-fund applies the common exclusion framework as detailed in the Management Company's exclusion policy, which is available at am.oddo-bhf.com. This framework covers coal, oil and nonconventional weapons, in particular. Adult entertainment will also be excluded from all investments in the sub fund.

- Second stage: this step involves taking into account the ESG rating of a large majority of the companies in the investment universe from our internal rating system using a combination of two approaches:

- 1) best-in-universe: the management team favors the highest rated issuers regardless of their size or business sector.
- 2) best effort: the management team values the progress made over time by issuers, thanks to direct dialogue with them. These two stages may mean that companies excluded because of their low ESG profile but with strong potential for progress in sustainability may be brought back into the investment universe. As part of the company rating process, the following criteria, among others, are analyzed:

- Environmental: energy consumption, water consumption, waste management, environmental certifications, products and services with added environmental value or climate risk management.
- Social: human capital (human resources management, diversity of management teams, employee training, health and safety, etc.), supplier management or innovation.

- Governance: corporate governance (preservation of minority shareholder's interests, composition of governance bodies, remuneration policy, etc.), fiscal responsibility, or exposure to risk of corruption.

The Management Company pays close attention to the analysis of human capital and corporate governance, which has an impact on the final ESG rating of each company. We believe that poor human capital management or corporate governance failures pose a major risk to the execution of a company's strategy and therefore to its valuation. Our analyses are conducted in collaboration by our management and our ESG analyst teams and enable us to identify the non-financial risks to which each issuer is potentially exposed (corruption, reputation, regulation, retention of talent, product quality and safety, etc.). They allow us to understand if these constitute a significant risk in the delivery of the strategy and published targets. In this way, the result of our ESG analysis is a concrete expression of the risk of executing an issuer's medium and long-term strategy. The analysis of controversies (industrial accidents, pollution, convictions for corruption, anti-competitive practices, product safety, supply chain management, etc.), based on information provided by our external non-financial data provider, is integrated into the rating process and directly influences the ESG rating of each company.

This internal ESG analysis results in an internal rating system on a scale of 1 (worst) to 5 (best): High ESG Opportunity (5), ESG Opportunity (4), ESG Neutral (3), Moderate ESG Risk (2) and High ESG Risk (1). For stocks not monitored by the Management Company's internal rating process, the Management Company relies on non-financial data provided by an external service provider. The Management Company undertakes that 75% of the debt securities and money market instruments with a high yield credit rating and at least 90% of debt securities and money market instruments with an investment grade credit rating have an ESG rating within the sub-fund. These ESG ratings are taken into account by the management teams in order to ensure a certain level of overall ESG quality within the portfolio. The management team may select stocks that are not included in the sub-fund's investment universe.

PROPORTION OF INVESTMENTS

At least 75% of net assets must be aligned with environmental and social characteristics. The sub-fund may hold up to 25% of its net assets in the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments. The sub-fund has a minimum 5% of sustainable investments. The sub-fund may hold investments aligned with the environmental or social characteristics that do not qualify as sustainable investments. The sub-fund does not have a minimum Taxonomy alignment and/or environmental or social investments rate. However, the Fund may hold investments that present these characteristics. At least 75% of issuers in the portfolio of debt securities and money market instruments with a high yield credit rating and at least 90% of issuers in the portfolio of debt securities and money market instruments with an investment grade credit rating are subject to an ESG rating after taking into account the weighting of each security.

MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The controlling teams of the Manager are responsible for the internal control all the binding elements of the Funds, and this includes the environmental or social characteristics of the Fund that translate into binding elements. The portfolio managers are monitoring the environmental and/or social characteristics of the Fund on a regular basis.

METHODOLOGIES FOR ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The methodologies to promote the social and/or environmental characteristics of the Fund are based on the Manager's internal ESG rating model. More information is available in the pre-contractual information or here: <https://am.oddobhf.com/>

DATA SOURCES AND PROCESSING' FOR FINANCIAL PRODUCTS THAT PROMOTE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The Manager uses different sources of data in its internal ESG rating model to justify the promotion of social and/or environmental characteristics. This data comes from external providers like MSCI, CDP, Carbon 4 Finance (biodiversity data) and Bloomberg, and is completed by internal assessments.

LIMITATIONS TO METHODOLOGIES AND DATA

All rights in the data and reports provided by third-party licensors vest in such licensors and/or their content providers. None of such licensors or their affiliates, or their content providers, accept any liability for any errors, omissions or interruptions in such data/reports as to completeness, accuracy or timeliness. No copying or further distribution of such data/reports is permitted without such third-party licensors' express written consent. The Manager is regularly in contact with its data providers to ensure the quality and reliability of the data used.

DUE DILIGENCE

The due diligence is led by the portfolio managers through a detailed fundamental analysis complemented by external ESG ratings to ensure the mitigation of risks.

ENGAGEMENT POLICIES

The engagement policies of the Manager are available here: https://am.oddo-bhf.com/france/fr/investisseur_professionnel/home

DESIGNATED REFERENCE BENCHMARK

This Fund has no benchmark index.