

Website disclosures

PRODUCT NAME : ODDO BHF ARTIFICIAL INTELLIGENCE

LEGAL ENTITY IDENTIFIER : 549300JBBFN3XZYK2J67

SUMMARY

Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<ul style="list-style-type: none"> <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 checked="" 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 checked="" 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 	<ul style="list-style-type: none"> <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 <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input 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

ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS ARE PROMOTED BY THIS FINANCIAL PRODUCT?

The Sub-Fund seeks capital growth by investing into global listed equities with exposure to the global mega trend “artificial intelligence” via a selection of related sub themes. The Sub-Fund has sustainable investment as its objective, within the meaning of Article 9 paragraph 3 of the SFDR. The Sub-Fund’s sustainable investment objective is to contribute to carbon-reduction and to seize opportunities arising from the transition to a low-carbon economy to achieve the long-term objectives of the Paris Agreement dated 12th December 2015 to limit global warming. The Sub-Fund will achieve carbon emissions 30% lower than the benchmark’s, the MSCI World NR, as measured by carbon intensity (tCO₂/ mUSD revenue; aggregated at portfolio level including scope 1, scope 2 and scope 3).

SUSTAINABLE INVESTMENT OBJECTIVE

The Sub-Fund has sustainable investment as its objective, within the meaning of Article 9 paragraph 3 of the SFDR. The Sub-Fund’s sustainable investment objective is to contribute to carbon-reduction and to seize opportunities arising from the transition to a low-carbon economy to achieve the long-term objectives of the Paris Agreement dated 12th December 2015 to limit global warming. In addition, the Sub-Fund will achieve carbon emissions 30% lower than the benchmark’s, the MSCI World NR, as measured by carbon intensity (tCO₂/ mUSD revenue; aggregated at portfolio level including scope 1, scope 2 and scope 3).

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

INVESTMENT STRATEGY

The Sub-Fund seeks capital growth by investing into global listed equities with exposure to the global mega trend “artificial intelligence” via a selection of related sub themes. The Sub-Fund has sustainable investment as its objective, within the meaning of Article 9 paragraph 3 of the SFDR. The Sub-Fund’s sustainable investment objective is to contribute to carbon-reduction and to seize opportunities arising from the transition to a low-carbon economy to achieve the long-term objectives of the Paris Agreement dated 12th December 2015* to limit global warming.

I) Based on the investment universe resulting from the big data analysis, an ESG (Environment, Social and Governance) analysis is then conducted on the resulting issuers, which form the “ESG Investment Universe”. Thanks to a selectivity approach covering a large majority of the securities in the ESG Investment Universe, at least 20% of the ESG Investment Universe is eliminated. This selectivity approach is carried out in two stages, and then completed by carbon emissions reduction considerations:

First stage: sector exclusion:

Based on information from the external ESG data provider (i.e. MSCI), and in particular MSCI Business Involvement Screening, the Sub-Fund will not be able to invest in the tobacco, unconventional weapons (chemical weapons, anti-personnel mines and cluster bombs, blinding laser weapons, incendiary weapons and non-detectable fragments weapons, Nuclear weapons manufactured by a company incorporated in a country that does not form part of the Nuclear Non-Proliferation Treaty (NPT)), gambling, unconventional oil and gas (shale oil, shale gas, oil sands, and tar sands), conventional weapons, GMO, coal mining, coal-fired power generation, coal development projects or infrastructure and production of adult entertainment. The Sub-Fund will also not be able to invest in energy (oil, gas and coal), materials, real estate, air freight & logistics and airlines, based on information from Bloomberg.

Moreover, companies that significantly violate the requirements of the UN Global Compact, will be excluded. Details relating to the Management Company's Exclusion Policy be found at “am.oddo-bhf.com”.

Second stage: ESG rating:

This stage consists in considering ESG rating to a large majority of companies in the ESG Investment Universe, whether the rating comes from the management team’s internal rating or from the management team’s external provider of extra-financial data. The ESG filter of the management team’s external provider of extra-financial data is based on the MSCI ESG Rating that evaluates the exposure of companies to ESG related risks and opportunities on a scale of CCC (worst rating) to AAA (best rating). It is based on the sub-ratings on a scale of 0 (worst) to 10 (best) for the environment, social and governance areas. The combination of external and internal rating processes further reduces the Sub-Fund's ESG Investment Universe to determine its eligible universe:

1. companies that are not followed by the management team’s internal model and with an MSCI ESG Rating of CCC and B if the MSCI ESG sub-rating is below 3 for one of the environmental, social or governance categories are systematically excluded from the ESG Investment Universe;
2. companies that are subject to "very severe" controversy and/or are in violation of the principles of the United Nations Global Compact are excluded as well. When a company held in the portfolio is downgraded and no longer respects one of these constraints, the management team has three months to disinvest. The weighted average ESG rating of the portfolio shall be above of the ESG Investment Universe’s. At least 90% of the net assets of the Sub-Fund are subject to an ESG rating and carbon footprint analysis.

II)The selectivity approach is completed by carbon-emission reduction considerations. The Sub-Fund takes into account carbon related data to achieve the long-term objectives of the Paris Agreement to limit global warming. In order to do so, the Sub-Fund will invest in companies reducing their carbon footprint by monitoring in dynamic their progress in emissions reduction in absolute on scope 1 (direct emissions from owned or controlled sources), scope 2 (indirect emissions linked to energy consumption to produce goods and services) and scope 3 (all other indirect emissions that occur in a company’s value chain), using third-party provider MSCI. Further information on the methodology and ESG score, as well as ESG reporting for the Sub-Fund, is available at am.oddo-bhf.com.

The management team will consider issuers that show commitment towards climate change and/or showing potential to transition to a low-carbon economy based on several recognized market framework: companies with carbon reduction strategy certified by SBTi (Science Based Target Initiative), revenues alignment with the EU Taxonomy, and improving green share of companies’ activities.

Finally, the Sub-Fund will achieve carbon emissions 30% lower than the benchmark’s, the MSCI World NR, as measured by carbon intensity (tCO₂/ mUSD revenue; aggregated at portfolio level including scope 1, scope 2 and scope 3).

A minimum of 90 % of the net assets of the Sub-Fund is subject to extra-financial analysis, with the support of an external ESG research provider.

PROPORTION OF INVESTMENTS

There will be a minimum of 90 % Sustainable Investments (as further described in the investment strategy mentioned above) with an environmental objective, of which a minimum of 0% will be Taxonomy-aligned.

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 MSCI ESG research.

The MSCI ESG Research is designed to measure a company's resilience to long-term, industry material environmental, social and governance risks. MSCI ESG Research rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. The ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC). MSCI ESG Ratings model identifies the ESG risks (key issues) that are most material. The investment universe of the fund is restricted to companies with a MSCI ESG Score of BB or better.

The MSCI ESG Ratings model measures both of these:

Risk exposure

Risk management.

The Risk Exposure Score and Risk Management Score are combined such that a higher level of exposure requires a higher level of demonstrated management capability in order to achieve the same overall Key Issue Score. Key Issue scores are on a 0-10 scale, where 0 is very poor and 10 is very good.

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

The Manager ensures the data quality and consistency by having a regular dialog with its data provider MSCI in order to correct potential errors, make recommendations on potential improvements, and provide feedbacks to clients' consultations. Data are processed through data imports into the Manager's IT systems and directly through the MSCI ESG Research platform. The data used to meet the environmental or social characteristics may be based on both reported and estimated data for the MSCI Business Involvement screens while MSCI ESG Score and MSCI ESG Controversies may use to some extent estimated data.

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

The benchmark of the Fund has not been designated to attain the environmental and social characteristics promoted by the Fund.