

# ODDO BHF Sustainable Euro Corporate Bond

Luxembourg SICAV Subfund – UCITS

APRIL 2021



European Corporate Bond Fund – Investment Grade



Fund launched in  
**MARCH 2002**



**€459m**  
under management<sup>1</sup>

## Our investment approach

- Bottom-up driven bond selection based on fundamental credit analysis conducted by an experienced team
- ESG integration as a central component of our investment process
- A best-in-universe approach completed by a Dialogue & Engagement process
- Early identification of improving or deteriorating credits
- Team based approach
- Active management of interest rate risks

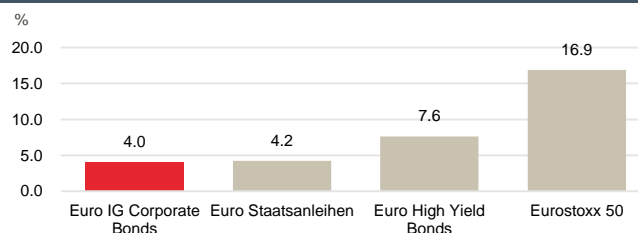
## Our investment universe

- Focus on Euro-denominated bonds with investment grade rating
- Several exclusion filters are deployed in the ESG integration process:
  - 1) Norm-based exclusion filter – UN Global Compact
  - 2) Sectoral exclusion filter – Exclusion of industries such as
    - Tobacco, gambling, oil sand & shale gas, weapons, GMO & pesticides, coal mining and production of coal-based energy, and nuclear sectors
    - Elimination of the lowest ESG ratings with a focus on human capital and corporate governance according to our proprietary analysis
- As a consequence, these exclusions result in a meaningful reduction of the investable universe

## Why invest in corporate bonds?

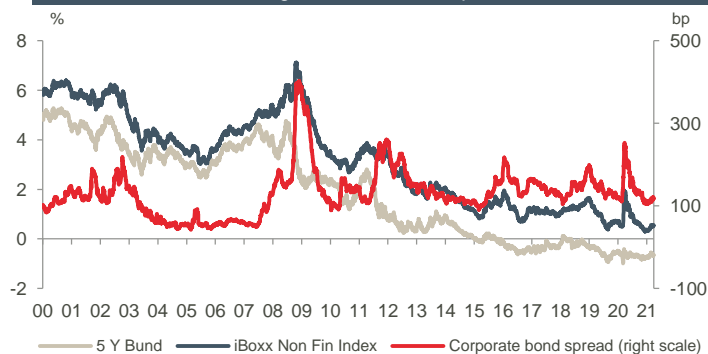
- Potentially attractive risk adjusted returns make corporate bonds a core investment
- Significant yield pick up versus high grade government bonds
- Investment grade corporate bonds are a relative defensive asset due to low volatility and low default risk - compared to Non-Investment Grade bonds, so-called speculative High Yield bond – as observed in the past.

Historical Volatility<sup>2</sup> (10Y p.a.)



- IG Corporate Bonds historically with moderate volatility compared to other fixed income segments & equity

Yield levels: government vs. corporate bonds



- Bund yields at historical lows
- Corporate Bond yields significantly higher compared to Bund yields

Ratings scale of bonds (ratings agency and/or internal analysis)			
Target of our investment	Best quality	AAA	Investment Grade
	Quality	AA	
	Average quality	A	
	Average quality or below	BBB	
	Average default risk	BB	High yield
	Significant default risk	B	
	High default risk	CCC	
	Payment default	D	

**Main risks:** ODDO BHF Sustainable Euro Corporate Bond is mainly exposed to: a risk of capital loss, credit risk, interest rate risk and risk associated with discretionary management. For more details about risks, please refer to the back of this document.

**The past performances are not a reliable indication of future performances and are not constant 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> as of 31/03/2021 | <sup>2</sup> Volatility figures are based on monthly returns of following indices: Euro Equities: EuroStoxx 50 | Euro High Yield Bonds: BofAML Euro Fixed & Floating Rate High Yield Non-Financial 3% Constrained | Emerging Market Bonds: JPM EMBI Global Diversified Total Return Index | Euro IG Corporate Bond: iBoxx Euro Corporate All Maturities | Euro Sovereigns: JPM GBI EMU Total Return | Data for general market, not for the fund, data as of 30/12/2020 | <sup>4</sup> Spread of iBoxx Non-Financial Corporate Bond Index vs. German government bonds, data as of 31/03/2021 | Sources: ODDO BHF AM GmbH, MSCI, Morningstar™ Copyright © Morningstar, Inc. All Rights Reserved.



## Risks

The fund named in this presentation is exposed to a certain number of risks: Risk of capital loss, interest rate risk, risk associated with convertible bonds, currency conversion and exchanges risks, credit risk, risk associated with high yield bonds, risk associated with discretionary management, Markets risk, risk associated with commitments on forward financial instruments, counterparty risk, risk associated with portfolio concentration, liquidity risk of underlying assets risk.

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

## Portfolio Managers\*

### Bastian Gries, CFA

Global Head of Investment Grade & Money Market  
ODDO BHF AM GmbH  
19 years investment experience

### Maik Ohm, CFA

Co-Head Investment Grade Credit  
ODDO BHF AM GmbH  
16 years investment experience

### Tim Weber

Portfolio Manager / Analyst Investment Grade  
ODDO BHF AM GmbH  
8 years investment experience

## Credit management capabilities\*

8 portfolio managers/analysts  
Investment Grade

\* Current management team, liable to change

## General Characteristics

Fund name	ODDO BHF Sustainable Euro Corporate Bond
Benchmark index	iBoxx Euro Corporates Total Return
Investment objective	The investment objective of the Sub-Fund is to provide long term capital appreciation. The Sub-Fund invests at least 2/3 of its total assets in transferable debt securities of corporations with fixed or variable interest rates denominated in Euro, while also factoring in an analysis of ESG (environmental, social and governance) criteria.
Minimum investment period	3-5 years
Inception date	19-Mar-2002
Morningstar™ category	EUR Corporate Bond

## Class of units

ISIN Code	LU0145975222
Currency	EUR
Type of shares	Accumulation
Min. initial subscription	EUR 100
Subscription fees	5% max of net asset
Management fees	1.1% of net asset
Redemption fees	None
Outperformance fees	None

## Structure and technical 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 12:00
Valuation frequency	Daily

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**Potential investors should consult an investment advisor before subscribing to the fund. The investor is informed that the fund presents a risk of capital loss, but also many risks linked to the financial instruments/strategies in the portfolio. In case of subscription, investors must consult the Key Investor Information Document (KIID) and the fund's prospectus in order to acquaint themselves with the detailed nature of any risks incurred.** The value of the investment may vary both upwards and downwards and may not be returned in full. The investment must be made in accordance with investors' investment objectives, their investment horizon and their capacity to deal with the risk arising from the transaction. ODDO BHF ASSET MANAGEMENT SAS cannot be held responsible for any direct or indirect damages resulting from the use of this document or the information contained in it. This information is provided for indicative purposes and may be modified at any moment without prior notice.

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The Key Investor Information Document (in French, English, German, Italian, Swedish, Portuguese, Spanish and Norwegian) and the prospectus (in French, English, German, Italian, Spanish) are available free of charge from ODDO BHF Asset Management GmbH or at [am.oddo-bhf.com](http://am.oddo-bhf.com) or at authorized distributors. The annual and interim reports are available free of charge from ODDO BHF Asset Management GmbH or on its internet site [am.oddo-bhf.com](http://am.oddo-bhf.com)

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## 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 €9,500,000. Trade Register (RCS) 340 902 857 Paris.

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