

October 31, 2019

# ODDO BHF Euro Credit Short Duration



CN-CHF[H] - Chf | FIXED INCOME - CREDIT - SHORT DURATION EURO

Assets Under Management 1,700 M€  
 NAV per Unit 99.54CHF  
 Evolution vs M-1 -0.20CHF

Morningstar category : EUR High Yield Bond - Other Hedged



Countries in which the fund is authorised for distribution to the public:



Accredited investor only:  
 SGP

## Portfolio Managers

Alexis RENAULT, Haiyan DING

## Key features

Recommended investment horizon: 3 to 5 Years  
 Inception date of the fund: 6/1/11  
 Initial date of performance: 1/3/17

|   |   |
|---|---|
| <b>Legal structure</b>                    | Sub-fund of the ODDO BHF Luxembourg Umbrella (UCITS)  |
| <b>ISIN code</b>                          | LU1486845966  |
| <b>Bloomberg code</b>                     | ODECNCH LX  |
| <b>Currency</b>                           | Swiss Franc   |
| <b>Dividend policy</b>                    | Accumulation units  |
| <b>Minimum (initial) investment</b>       | 100 CHF   |
| <b>Subscription fees</b>                  | 5 % (maximum)   |
| <b>Redemption fees</b>                    | Nil   |
| <b>Management fees</b>                    | Annual rate of a maximum of 0.60%, payable quarterly and calculated based on the Sub-fund's average net assets for the month in question. |
| <b>Performance fees</b>                   | N/A   |
| <b>Ongoing charges</b>                    | 0.65%   |
| <b>Management company</b>                 | ODDO BHF AM SAS   |
| <b>Management company (by delegation)</b> | ODDO BHF AM GmbH  |
| <b>Custodian</b>                          | Caceis Bank Luxembourg (Luxembourg)   |
| <b>Administration and Accounting</b>      | Caceis Bank Lux   |
| <b>Subscriptions/ redemptions</b>         | 4:00pm, D   |
| <b>NAV calculation frequency</b>          | Daily   |

## Technical and risk indicators\*

|              | 1 year | 3 years |
|--------------|--------|---------|
| Sharpe ratio | -0.39  |         |

| Fund                          |       |
|-------------------------------|-------|
| Yield to Maturity             | 2.09% |
| Yield to worst                | 1.26% |
| Modified duration to maturity | 1.89  |
| Modified duration to worst    | 1.25  |
| Spread (bp)                   | 183   |
| Macaulay duration             | 1.26  |
| Average maturity (year)       | 1.13  |

Technical and risk indicators are shown in portfolio currency (in Euro)

Futures and options are not included in the calculation of the yield. The YTM is calculated before currency hedging. The YTW is calculated after currency hedging.

The Yield to Maturity (YTM) is the estimation at a certain date of the expected rate of return of a bond portfolio if the securities are held to maturity. It does by no means constitute a promised return. It can, therefore, be affected by interest rate risks, default risks, reinvestment risks and the fact that bonds may not be held until maturity.

The Yield to worst (YTW) is the estimation at a certain date of the worst expected rate of return of a bond portfolio of which some of the securities would not be held until maturity but redeemed at the discretion of the issuer (call). It does by no means constitute a promised return. It can, therefore, be affected by interest rate risks, default risks, reinvestment risks and the fact that bonds may not be held until maturity.

\*Definitions of the financial indicators used are available for download on the website [www.am.oddo-bhf.com](http://www.am.oddo-bhf.com) under the heading "Regulatory information".

Sources : ODDO BHF AM SAS, Bloomberg, Morningstar®

## Investment strategy

The Sub-Fund seeks to provide a high level of income and capital growth by investing primarily in corporate bonds denominated in Euro with a rating of at least B3 or B- and a mainly maximum residual maturity of 4 years. A minimum of 20% of the assets will be invested in sub-investment grade bonds (High Yield). Issuers are principally from countries with investment grade rating.

## Annual performance (rolling 12 months)

| from        | to | 10/31/17 | 10/31/18 |
|-------------|----|----------|----------|
|             |    |          |          |
| <b>Fund</b> |    | -1.5%    | 0.1%     |

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

## Calendar performance (from January 01 to December 31)

|             | 2014 | 2015 | 2016 | 2017 | 2018  |
|-------------|------|------|------|------|-------|
| <b>Fund</b> |      |      |      |      | -2.3% |

## Performance Analysis

|             | Annualized performance |         |           | Cumulative performance |       |        |         |         |           |
|-------------|------------------------|---------|-----------|------------------------|-------|--------|---------|---------|-----------|
|             | 3 years                | 5 years | Inception | 1 month                | YTD   | 1 year | 3 years | 5 years | Inception |
| <b>Fund</b> |                        |         | -0.16%    | -0.20%                 | 1.29% | -      |         |         | -         |

## Change in performance since inception (base 100)



## Annualized volatility

|             | 1 year | 3 years | 5 years |
|-------------|--------|---------|---------|
| <b>Fund</b> | 1.24%  |         |         |

(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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## Breakdown by sub-A rating and by country

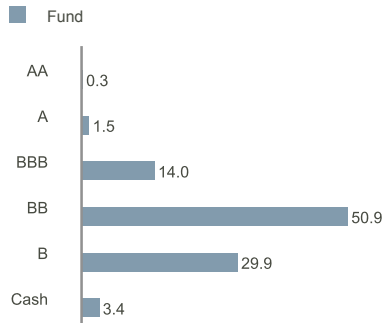
| Country        | Rating |       |      |     |    |
|----------------|--------|-------|------|-----|----|
|                | BBB    | BB    | B    | CCC | NR |
| USA            | 1.8%   | 12.3% | 8.3% | -   | -  |
| Germany        | 4.5%   | 8.7%  | 1.2% | -   | -  |
| France         | 0.4%   | 5.4%  | 4.1% | -   | -  |
| Italy          | 0.5%   | 7.1%  | 1.1% | -   | -  |
| United Kingdom | 1.7%   | 4.4%  | 1.8% | -   | -  |
| Greece         | 0.3%   | 4.3%  | 1.7% | -   | -  |
| Luxembourg     | 1.2%   | -     | 3.3% | -   | -  |
| Netherlands    | 1.1%   | 0.3%  | 2.3% | -   | -  |
| Other          | 2.5%   | 8.5%  | 6.1% | -   | -  |

The breakdown takes into consideration the rating of the issuer or the guarantor in the case of unrated issues.

## Portfolio manager comment

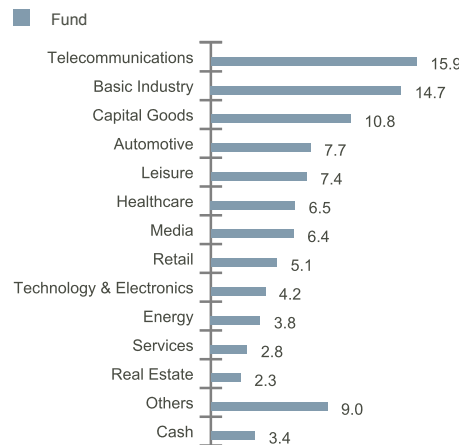
In October 2019, the European High Yield market (HEAE) weakened and showed a negative performance of 0.22% with spreads 19bps wider ending at 392. During the month, investors continued to take profit and de-risked their portfolios mainly due to concerns about future economic growth, witnessed by weakening European macroeconomic indicators and profit warnings by companies. In this context, cyclical sectors performed poorly during the month. The technical market support turned out to be ok: inflow in the asset class persisted and numerous new issues were priced. The Oddo BHF Euro Credit Short Duration Fund selectively reinvested cash proceeds from called / matured /tendered bonds. As of end of October, the fund had an allocation of 81% High Yield and 19% Investment Grade bonds (including cash). The fund maintains a low duration with around 27% of the portfolio maturing until the end of 2020. The modified duration to worst is currently at 1.3 years. Looking ahead, the European High Yield market is expected to show higher volatility on the back of weakening economic data, softer company results, political events like Italy, and trade negotiations. Credit selection remains essential and is becoming more important in the current environment of higher idiosyncratic risk to achieve a positive performance.

## Breakdown by rating

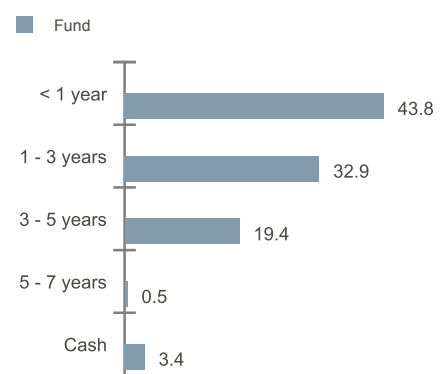


We take the second best rating of all our data sources.

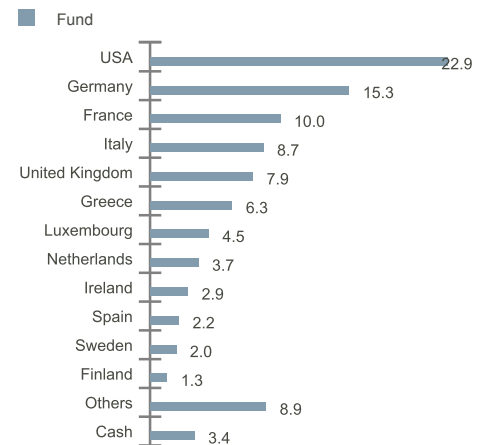
## Sector breakdown (%)



## Breakdown by final maturity (%)



## Geographic breakdown (%)



## Main portfolio issuers

| Issuer                  | Weight | Sector                      | Country    |
|-------------------------|--------|-----------------------------|------------|
| OTE PLC                 | 4.16%  | Telecommunications          | Greece     |
| THYSSENKRUPP AG         | 3.61%  | Industrial Goods & Services | Germany    |
| ORANO SA                | 3.48%  | Industrial Goods & Services | France     |
| TELECOM ITALIA SPA      | 2.83%  | Telecommunications          | Italy      |
| SPRINT CORP             | 2.54%  | Telecommunications          | USA        |
| OI EUROPEAN GROUP BV    | 2.21%  | Packaging                   | USA        |
| SAIPEM FINANCE INTL BV  | 2.21%  | Industrial Goods & Services | Italy      |
| LHMC FINCO SARL         | 1.92%  | Travel & Leisure            | Luxembourg |
| VOLKSWAGEN LEASING GMBH | 1.83%  | Automobile & Parts          | Germany    |
| ADLER REAL ESTATE AG    | 1.80%  | Industrial Goods & Services | Germany    |

|                    |     |
|--------------------|-----|
| Number of holdings | 217 |
|--------------------|-----|

## Main portfolio derivatives

| Product | Type | Exposure (%) |
|---------|------|--------------|
|         |      |              |

**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, emerging markets risk, volatility risk and on an ancillary basis currency risk, risk associated with convertible bonds, risk associated with currency conversion

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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

www.am.oddo-bhf.com