

# ODDO BHF Future of Finance

31 OCTOBER 2024

CN-EUR - Eur | *Thematic Equities - Global Financials*

Assets Under Management	<b>28 M€</b>	Morningstar™ Category:	① ② ③ ④ <b>⑤</b> ⑥ ⑦
NAV per Unit	<b>108.51€</b>	Sector Equity Financial Services	Risk scale (1)
Evolution vs M-1	<b>3.21€</b> ★	Rating at 10/31/24	6 8 9
			SFDR Classification <sup>2</sup>

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

FR IT CHE DEU ESP

## PORTFOLIO MANAGERS

Alex KOAGNE, Christophe SANCHEZ

## MANAGEMENT COMPANY

ODDO BHF AM SAS

## KEY FEATURES

**Recommended investment horizon:** 5 Years

**Inception date (1st NAV):** 7/26/18

**Inception date of the fund:** 8/10/07

<b>Legal structure</b>	FCP
<b>ISIN code</b>	FR0013297512
<b>Bloomberg code</b>	ODEBCNE FP
<b>Dividend policy</b>	Accumulation unit
<b>Minimum (initial) investment</b>	1 thousandth of a unit
<b>Management company (by delegation)</b>	-
<b>Subscriptions/redemptions</b>	11:15am D
<b>Valuation</b>	Daily
<b>Management fees</b>	Maximum 1.25% of assets, inclusive of tax.
<b>Performance fees</b>	20% (inclusive of tax) of the Fund's outperformance relative to the benchmark, once past underperformance over the previous five years has been fully offset and provided that the Fund's absolute return is positive.
<b>Subscription fees</b>	4 % (maximum)
<b>Redemption fees</b>	Nil
<b>Management fees and other administrative or operating costs</b>	1.25 %
<b>Transaction fees received by the Management Company</b>	Transaction fees are listed in the prospectus and may be applied in addition to the fees shown above.

## INVESTMENT STRATEGY

ODDO BHF Future of Finance is a global equity fund invested in companies that benefit from the mutations of the financial industry. The fund invests without geographical constraints in various financial themes: banking, payment and transaction services, specialist financial services and disruptive financial companies (among others). A top-down approach and bottom-up fundamental analysis are carried out to identify the most relevant and best positioned companies. The fund seeks to be permanently invested in equities with the objective of long-term capital growth.

**Benchmark :** MSCI ACWI Financials Index NR in EUR

Net annual performance (12-months rolling)						
from	10/18	10/19	10/20	10/21	10/22	10/23
to	10/19	10/20	10/21	10/22	10/23	10/24
<b>FUND</b>	<b>0.9%</b>	<b>-35.1%</b>	<b>76.1%</b>	<b>-19.4%</b>	<b>-5.0%</b>	<b>42.3%</b>
Benchmark	-2.3%	-37.9%	76.9%	-2.9%	-1.6%	37.5%

Calendar performance (from January 01 to December 31)					
	2019	2020	2021	2022	2023
<b>FUND</b>	<b>18.2%</b>	<b>-21.3%</b>	<b>30.9%</b>	<b>-17.5%</b>	<b>9.1%</b>
Benchmark	13.5%	-24.4%	35.1%	-3.9%	11.6%

Cumulative and annualized net returns									
	Annualized performance			Cumulative performance					
	3 years	5 years	Inception	1 month	YTD	1 year	3 years	5 years	Inception
<b>FUND</b>	<b>2.9%</b>	<b>4.5%</b>	<b>1.3%</b>	<b>3.0%</b>	<b>25.3%</b>	<b>42.3%</b>	<b>9.0%</b>	<b>24.7%</b>	<b>8.5%</b>
Benchmark	9.5%	7.6%	3.5%	2.9%	23.3%	37.5%	31.4%	44.4%	23.8%

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

Annualized volatility			
	1 year	3 years	5 years
<b>FUND</b>	<b>13.6%</b>	<b>18.2%</b>	<b>27.0%</b>
Benchmark	10.6%	13.9%	25.5%

As no activity was recorded for the unit class from 07/06/2018 to 26/07/2018, no performance was recorded for that period. The Fund's investment strategy was changed on 15 September 2021. Performances recorded prior to this date are therefore not representative of the investment strategy currently in use. The benchmark was the STOXX Europe 600 Banks (Net Return) until 15th September 2021. Since 15th September 2021, the benchmark has been MSCI ACWI Financials Index (Net Return, €).

\*The glossary of indicators used is available for download on [www.am.oddo-bhf.com](http://www.am.oddo-bhf.com) in the FUNDS section. | Sources : ODDO BHF AM SAS, Bloomberg, Morningstar®

(1) The summary risk indicator (SRI) is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the market or because we are not able to pay you. It ranges from 1 (low risk) to 7 (high risk). This indicator is not constant and will change according to the fund's risk profile. The lowest category does not mean risk-free. Historical data, such as that used to calculate the SRI, may not be a reliable indication of the fund's future risk profile. There is no guarantee that the investment objectives in terms of risk will be achieved.

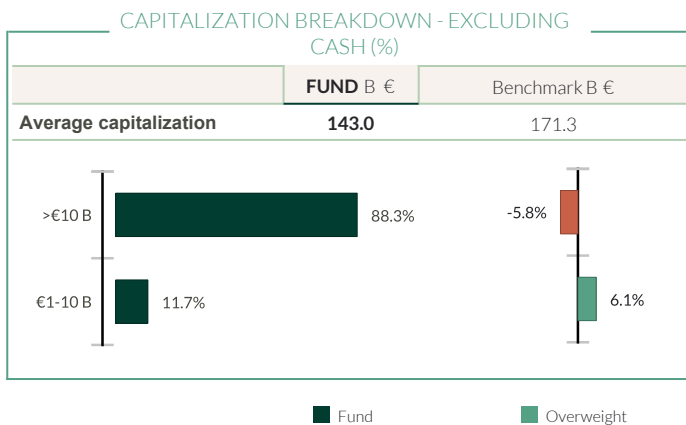
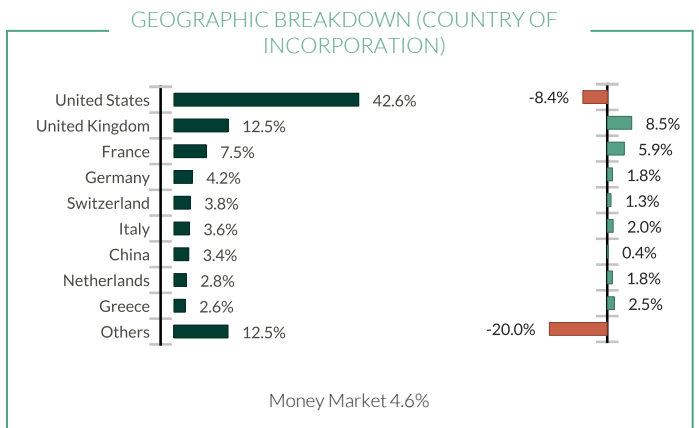
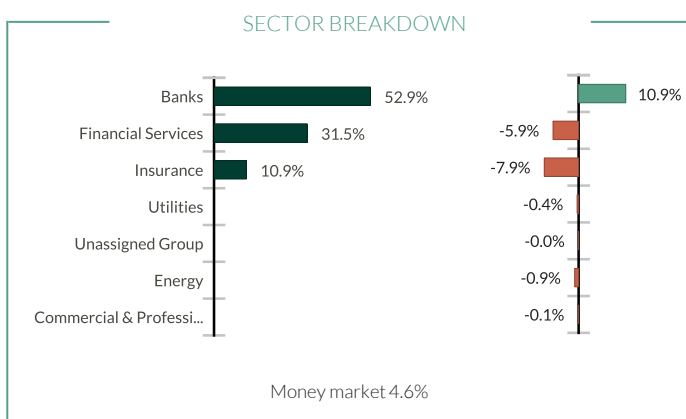
(2) Information on the EU Sustainable Finance Disclosure Regulation (SFDR) can be found in the SFDR classification(2) section of the document.

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Risk measurement	3 Years	5 Years
Sharpe ratio	0.05	0.11
Information ratio	-0.88	-0.45
Tracking Error (%)	7.75	6.68
Beta	1.20	1.03
Correlation coefficient (%)	91.67	96.92
Jensen's Alpha (%)	-8.30	-3.14



Main portfolio holdings				
	WEIGHT IN THE FUND (%)	Weight in the benchmark (%)	Country	Sector
Jpmorgan Chase & Co	5.47	5.02	United States	Banks
Bank Of America Corp	5.42	2.32	United States	Banks
Hsbc Holdings Plc	4.27	1.34	United Kingdom	Banks
Wells Fargo & Company	3.48	1.78	United States	Banks
Goldman Sachs Group Inc	3.36	1.32	United States	Financial Services
Kkr & Co Inc -A	3.05	0.68	United States	Financial Services
S&P Global Inc	2.80	1.21	United States	Financial Services
Unicredit Spa	2.66	0.51	Italy	Banks
Bnp Paribas	2.65	0.55	France	Banks
Morgan Stanley	2.64	1.12	United States	Financial Services

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## MONTHLY MANAGEMENT COMMENT

The markets' recognition of Donald Trump's increasingly likely victory, as well as more resilient-than-expected economic indicators and slightly better-than-expected inflation figures (both in the United States and Europe), caused considerable tension on fixed-income markets. US 10-year yields ended the month up 50 bps at 4.28% and German 10-year yields up 27 bps at 2.39%. Naturally, this weighed on equity markets as a whole – reflected in a fall of 0.99% for the S&P 500 and 3.35% for the STOXX 600 in October – but benefitted banking stocks.

As for central banks, while there was no Fed meeting this month, the ECB unsurprisingly cut rates by a further 25 bps at its meeting on 17 October. While ECB President Lagarde was keen to stress that there was no pre-commitment to further action, the ECB now seems more confident that core inflation will be heading towards its target next year. As expected, the Bank of Canada (BOC) also cut its key rates by 50 bps to 3.75%. In China, the People's Bank of China (PBOC) cut its loan prime rate from 3.85% to 3.60% in October and left the one-year medium-term lending facility unchanged at 2%, as expected. The Japanese Central Bank (BoJ) has (unsurprisingly) left its monetary policy parameters unchanged, keeping its key rate at 0.25%, a decision that was taken unanimously.

Against this backdrop, the Oddo BHF Future of Finance (FoF) fund gained 2.98%. The benchmark index, MSCI ACWI Financial EUR, was up 2.90%. The fund therefore outperformed by 0.08% during the month, taking its year-to-date outperformance to 1.13%.

The main contributors (weighting >0.5% of AuM) to the fund's performance were: 1/ Wells Fargo (+18.16%), 2/ Société Générale (+18.05%), 3/ Morgan Stanley (+15.58%), 4/ Fiserv (+13.26%) and 5/ Charles Schwab (+12.37%). The heaviest drags on the fund's performance were: 1/ EQT (-13.42%), 2/ Piraeus (-10.14%), 3/ Prudential (-8.52%), 4/ KBC (-6.64%) and 5/ National Bank of Greece (-6.46%).

The current backdrop remains generally buoyant for banks, which continue to benefit from healthy margins on deposits, a cost of risk that remains low, attractive valuations (particularly for European banks) and generous shareholder payouts (dividends and buybacks).

At the end of October, 73.7% (vs 72.5% last month) of the fund was invested in value stocks and 21.7% (vs 21.2% last month) in growth stocks, with 4.7% held as cash (vs 6.3% last month). The increase in our exposure to both value and growth stocks is explained by the reduction in our level of cash.

In terms of portfolio changes, we increased our exposure to Prudential and to Greek banks (National Bank of Greece and Piraeus). We have also reduced our exposure to PB Fintech, HDFC Bank, JP Morgan, Bank of America and Charles Schwab while taking some profits on Chinese stocks (China Merchants Bank and Ping An Insurance).

## RISKS:

The fund is exposed to the following risks : risk of capital loss, equity risk, risk associated with discretionary management, currency risk, risk associated with commitments on forward financial instruments, counterparty risk, risks associated with portfolio concentration, liquidity risk of underlying assets, risk associated with holding small and medium capitalisations, emerging markets risk, Sustainability risk and on an ancillary basis interest rate risk, credit risk

## SFDR CLASSIFICATION<sup>2</sup>

The EU Sustainable Finance Disclosure Regulation (SFDR) is a set of EU rules which aim to make the sustainability profile of funds transparent, more comparable and better understood by end investors. Article 6: The management team does not consider sustainability risks or adverse effects of investment decisions on sustainability factors in the investment decision making process. Article 8: The management team addresses sustainability risks by integrating ESG criteria (Environment and/or Social and/or Governance) into its investment decision making process. Article 9: The management team follows a strict sustainable investment objective that significantly contributes to the challenges of the ecological transition, and addresses Sustainability Risks through ratings provided by the Management Company's external ESG data provider.

## DISCLAIMER

This document has been drawn up by ODDO BHF AM SAS. 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 read the Key Information Document (KID) and the fund's prospectus in order to acquaint themselves with the detailed nature of any risks incurred and all costs. 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 AM 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. Any opinions presented in this document result from our market forecasts on the publication date. They are subject to change according to market conditions and ODDO BHF AM SAS shall not in any case be held contractually liable for them. The net asset values presented in this document are provided for indicative purposes only. Only the net asset value marked on the transaction statement and the securities account statement is authoritative. Subscriptions and redemptions of mutual funds are processed at an unknown asset value.

A summary of investor rights is available free of charge in electronic form in English language on the website at : [https://am.oddo-bhf.com/FRANCE/en/non\\_professional\\_investor/infos\\_reglementaire](https://am.oddo-bhf.com/FRANCE/en/non_professional_investor/infos_reglementaire). The fund may have been authorized for distribution in different EU member states. Investors are advised to the fact that the management company may decide to withdraw with the arrangements it has made for the distribution of the units of the fund in accordance with Article 93a of Directive 2009/65/EC and Article 32a of Directive 2011/61/EU.

The Key Information Document (DEU, ESP, FR, GB, ITL) and the prospectus (FR, GB) are available free of charge from ODDO BHF AM SAS 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 AM SAS or on its internet site [am.oddo-bhf.com](http://am.oddo-bhf.com).

The complaints handling policy is available on our website [am.oddo-bhf.com](http://am.oddo-bhf.com) in the regulatory information section. Customer complaints can be addressed in the first instance to the following e-mail address: [service\\_client@oddo-bhf.com](mailto:service_client@oddo-bhf.com). The fund is licensed for sale in Switzerland. The Key Information Document, the prospectus, the annual and interim reports for Switzerland can be obtained free of charge from the Swiss Representative and paying agent, RBC INVESTOR SERVICES BANK, succursale de Zürich, Bleicherweg 7, 8027 Zürich, Switzerland.