

PRODUCT INFORMATION

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MORNINGSTAR™ (1)

1 2 3 4 5 6 7
Risk/Reward-Scale*

ODDO BHF Polaris Moderate, rated 5 stars by Morningstar⁽¹⁾, a fund proving resilient in the face of the Corona crisis

The recent market turmoil has put a strain on multi-asset funds and in particular on their ability to quickly adapt their asset allocation to sudden changes in prices. Amid this environment, the defensive flexible fund ODDO BHF Polaris Moderate has seen its performance hold up particularly well. The fund aims to avoid major price setbacks through a flexible allocation into equities (generally ranging between 0 and 40%) and to generate superior returns to that of a bond investment.

At the end of March 2020, the fund was rewarded for its good results with five stars from Morningstar⁽¹⁾ and has also seen positive inflows of more than EUR 50 million year to date, taking its total assets to over EUR 800 million.

According to its portfolio manager, Peter Rieth, the fund's core strength is its flexibility combined with active risk management in times of crises. "In late February, when stock markets were highly volatile, we used futures to reduce equity market exposure to around 20 percent of the portfolio," Rieth explains. "From mid-March onwards, we moved back into equities with the aim of participating in the recovery phase". Hence, the fund has clearly outperformed its benchmark and most other funds, down only 4.0 % year to date (as of April 15th 2020, DRw-EUR share class) compared to an average loss of -6.8% posted by the funds in the relevant Morningstar⁽¹⁾ category and of -4.4% posted by the benchmark. Since 30 March, Morningstar has rated the fund with five stars.

The fund's equity investments are focused on companies that in our view have been only slightly affected by the Corona crisis or even benefit from the current environment. Emphasis lies particularly on companies from the IT and healthcare sectors, while automobile manufacturers, banks and commodity stocks are not represented in the portfolio.

While short-term risk management serves the purpose of stabilization, securities are only acquired with a medium to long-term perspective. In the case of equities, the focus is on quality companies from Europe and the USA that are characterized by stable growth prospects and low vulnerability to market fluctuations. In the current environment, attention is particularly centred on aspects of resilience shown by these companies in the face of economic or exogenous shocks. "After sharp falls in the markets, our portfolios proved to be robust and recovered quickly, particularly due to our quality-oriented stock selection", Rieth emphasizes.

(1) Morningstar category: EAA Fund EUR Cautious Allocation

In the portfolio's bond pocket, in view of negative interest rates for government bonds, he focuses on carefully selected investment-grade bonds from companies with solid balance sheet figures. "Following the announcement of the ECB purchase programme, which also covers corporate bonds, we have reduced our liquidity in recent weeks in order to enter into bonds from stable issuers at conditions we consider as attractive," explains Rieth. Finally, a position in gold, which was in high demand due to the crisis, also contributed to the fund's resilience.

ODDO BHF Polaris Moderate belongs to the multi-asset fund range ODDO BHF Polaris comprising investment funds catering to different risk profiles (defensive, balanced, flexible, dynamic). These funds are advised or managed since more than 15 years by ODDO BHF Group's wealth manager ODDO BHF TRUST GmbH. ODDO BHF TRUST GmbH was awarded in Germany the title of best wealth manager over 1 and 5 years by independent ranking institute Firstfive in February 2020 for the fourth consecutive year. Firstfive rates wealth managers of private banks.

Past performance is not a reliable indication of future return and is not constant over time.



Peter Rieth, CFA,
Portfolio Manager/Analyst,
ODDO BHF TRUST GmbH

Since 2007
Portfolio Manager/Analyst, ODDO BHF TRUST GmbH

2001-2007
Buy-side Equity Analyst, sectors: Automobile, industrials and construction, BHF-Bank

1996-2001
Options market maker with own trading limit

- Master's Degree in Finance at the University of Applied Sciences, Trier
- Master of Science (MSc) in International Banking and Financial Studies at the University of Southampton

*Synthetic risk and reward indicator in a range between 1 (lowest risk level) and 7 (highest risk level). This indicator is amended accordingly if there are changes in the risk and earnings profile of the fund.



Annual performance in % (12 months rolling)⁽¹⁾

	ODDO BHF Polaris Moderate - DRW	Benchmark ⁽²⁾
03/15 - 03/16 (including issue surcharge) ⁽³⁾	-5.6	N.A.
03/15 - 03/16	-0.6	-2.4
03/16 - 03/17	3.5	3.0
03/17 - 03/18	-0.9	0.4
03/18 - 03/19	3.3	2.5
03/19 - 03/20	-2.8	-1.0

Past performance is not a reliable indication of future return and is not constant over time. The fund is exposed to a risk of capital loss.

(1) The basis for calculating the reported performance is the net asset value (excluding initial sales costs); distributions and taxes payable to the tax authorities have been reinvested.

(2) Benchmark: 20% Stoxx Europe (NR), 60% JPM EMU Investment Grade 1-10 years, 20% JPM Euro Cash 1M.

(3) In addition to the costs incurred at fund level, individual costs incurred at customer level were also taken into account. One-time front-end load of 5% to the issue price (= 50 euros with an exemplary investment amount of 1,000, - Euro). In addition, there may be incurred custody costs that reduce performance.

Ongoing charges: 1.37%

About ODDO BHF Asset Management

ODDO BHF AM is part of the independent Franco-German financial group ODDO BHF that was founded in 1849. ODDO BHF AM is an asset management leader in Europe. It comprises ODDO BHF AM GmbH in Germany, ODDO BHF AM SAS, ODDO BHF Private Equity SAS in France and ODDO BHF AM Lux in Luxembourg, which together manage assets totaling € 59.8 billion. ODDO BHF AM offers its institutional and wholesale clients a unique range of high-performance investment solutions in all main asset classes, i.e. European equities, quantitative strategies, fixed income, multi-asset solutions, private equity and private debt. An UN-PRI signatory since 2010 ODDO BHF AM has integrated sustainable investment criteria into a wide range of strategies. Its ESG approach focuses on ESG criteria integration, engagement with companies and a climate policy supporting the energy transformation. On a combined basis, 60% of assets under management are from institutional clients and 40% from distribution partners. The teams operate from investment centers in Dusseldorf, Frankfurt, Paris and Luxembourg with additional locations in Milan, Geneva, Stockholm, Madrid, Hong Kong, Abu Dhabi and Zurich. ODDO BHF AM puts the long-term support of its clients at the heart of its priorities. Its independence allows its teams to be responsive, flexible and innovative in order to constantly find solutions tailored to the customers' needs.

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About ODDO BHF

ODDO BHF is an independent Franco-German financial services group, with a history stretching back over 170 years. It was created from the alliance of a French family-owned business built up by five generations of stockbrokers and a German bank specialising in Mittelstand companies. With 2,300 employees (1,300 in Germany and 1,000 in France and Tunisia), and more than 110 billion euros in assets under management, ODDO BHF operates in three main businesses, based on significant investment in market expertise: private wealth management, asset management and corporates and markets. The Group has a specific ownership structure as 65% of its capital is held by the Oddo family and 25% by employees. This "partnership" ethos guarantees the long-term involvement of its teams. In 2019, ODDO BHF generated net banking income of 585 million euros, and at 31 December 2019, the Group had over 890 million euros of shareholders' equity.

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The fund is licensed for sale in Switzerland, the representative there is ACOLIN Fund Services AG, Leutschenbachstraße 50, 8050 Zurich. Paying agent is ODDO BHF (Switzerland) Ltd., Schulhausstrasse 6, 8027 Zurich, Switzerland. Further useful information regarding the fund, the Sales Prospectus including the Fund Rules, the Key Investor Information Document as well as the annual and half-yearly reports will also be available there free of charge and in the German language.

The Key Investor Information Document in English, French, German, Italian, Portuguese, Spanish and Swedish and the prospectus in German, French and English are available free of charge from ODDO BHF Asset Management GmbH or at 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.

From January 3, 2018, when OBAM provides investment advisory services, please note that it's always on a non-independent basis pursuant to the European Directive 2014/65/EU (so-called "MIFID II Directive"). Please also note that all recommendations made by OBAM are always provided for diversification purposes.

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