

PRESS RELEASE

ODDO BHF Asset Management launches the fund ODDO BHF Artificial Intelligence

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ODDO BHF Asset Management has very recently launched **ODDO BHF Artificial Intelligence**, the first thematic fund investing in artificial intelligence (IA) and also using artificial intelligence in its investment process. Launched in December 2018, this fund invests in international equities.

Nicolas Chaput, Global CEO and Co-CIO of ODDO BHF Asset Management, comments: *“This fund represents a breakthrough innovation in the asset management industry. We have put in place a unique investment process that combines artificial intelligence and our long-standing know-how in quantitative management. Our ambition is to offer our clients an innovative solution to generate long-term alpha. Using artificial intelligence in our investment process is undeniably a major and pioneering move forward.”*

Through its innovative investment process, the fund **ODDO BHF Artificial Intelligence** seeks to invest worldwide in those companies most positively impacted by the AI theme. The investment process is structured in three stages:

- First, a new AI-based model is used to select the best global stocks linked to the AI theme, based on the daily analysis of millions of sets of data. *“In 18 months of work, we have developed artificial intelligence algorithms that are unique in the asset management world. Thanks to these algorithms analysing more than 4 million sets of data each day, we are able to identify from across the globe exactly those companies related to the AI theme, be it large listed companies or smaller companies flying under analysts’ radar, but offering high potential”*, explains Agathe Schittly, Head of Strategy, Marketing and Products at ODDO BHF AM.
- In a next step, our quantitative model – called “Algo 4” – that screens the stocks based on four factors (valuation, quality, momentum and market capitalisation) is applied to this investment universe, allowing to narrow it down to 60 equities exhibiting the most interesting financial and risk profile according to us. “Algo 4” has been successfully applied by ODDO BHF Asset Management for more than 10 years in its quantitative equity management.
- Finally, this portfolio is then subject to a qualitative review conducted by the fund managers. The purpose of this review is to identify any potential incoherence in the portfolio and to deepen the fundamental insight into the selected companies, in particular through meetings between the companies and the managers.

The result of the process is a portfolio of around sixty global equities. At the end of January 2019, 62% of the companies held in the portfolio were from the US, 11% from Japan and 5% each from the UK, Sweden and Switzerland. In terms of sector allocation, 58% of the portfolio are invested in technology

stocks, with the remaining stocks being from the industrial, telecom, media, consumer and health sectors. Finally, nearly 50% of the stocks in the portfolio are medium-sized or small companies.

“Artificial intelligence is already at the root of many technologies, such as algorithms used for internet search engines, in cloud technology or autonomous driving. For us, AI’s principal domains today are Big Data, Automation, Machine Learning, Deep Learning and Cognitive Computing. Artificial intelligence is a silent revolution unfolding under our eyes that will transform all spheres of society and economy”, explain Brice Prunas and Maxence Radjabi, fund managers at ODDO BHF Asset Management SAS.

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 independent asset management leader in Europe. The asset management of the ODDO BHF Group 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 € 54.4 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. On a combined basis, 59% of assets under management are from institutional clients and 41% 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.

www.am.oddo-bhf.com

About ODDO BHF

ODDO BHF is an independent Franco-German financial services group, with a history stretching back over 160 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 100 billion euros in assets under management, ODDO BHF operates in three main businesses, based on significant investment in market expertise: private banking, asset management and corporate and investment banking. The Group has a specific ownership structure as 60% of its capital is held by the Oddo family and 30% by employees. This “partnership” ethos guarantees the long-term involvement of its teams. In 2017, ODDO BHF generated net banking income of 591 million euros, and at 31 December 2017, the Group had over 844 million euros of shareholders’ equity.

www.oddo-bhf.com

Technical fund characteristics

General characteristics			
Fund name	ODDO BHF Artificial Intelligence		
Benchmark	MSCI World NR in USD		
Investment objective	Generate capital growth by investing in listed international equities that are exposed to the global trend of "artificial intelligence"		
Recommended investment horizon	5 years		
Inception date	19 December 2018		
Investment universe	Global equities		
Share class	CR-EUR	CI-EUR	CIw-USD
ISIN code	LU1919842267	LU1833932434	LU1833933325
Currency	Euro	Euro	Dollar
Dividend policy	Accumulation	Accumulation	Accumulation
Minimum initial investment	100 EUR	250,000 EUR	250,000 USD
Subscription fees	Max. 5%	Max. 2%	Max. 2%
Redemption fees	None	Max. 0,5%	Max. 0,5%
Frais de gestion fixes	Up to 1.6% of the net assets	Up to 0.8% of the net assets	Up to 0.95% of the net assets
Performance fees	A maximum of 20% of the Fund's outperformance relative to the benchmark index provided that the Fund's performance is positive	A maximum of 20% of the Fund's outperformance relative to the benchmark index provided that the Fund's performance is positive.	None
Structure and technical information			
Legal structure	Luxembourg SICAV		
Management company	ODDO BHF AM SAS		
Custodian	Caceis Bank Luxembourg (Luxembourg)		
Subscriptions/redemptions	Daily at unknown price until 16:00 (Paris)		
NAV calculation frequency	Daily		

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