

March 29, 2018

Oddo Obligations Court Terme



CR-EUR - Eur | FIXED INCOME - CREDIT - SHORT DURATION

NAV of the fund 252 M€
 NAV per Unit 153.85€
 Evolution vs M-1 -0.58€

Category EUR Diversified Bond - Short Term
 Morningstar™ ★★★ Rating at 31/3/18

① ② ③ ④ ⑤ ⑥ ⑦
 Risk/return scale (1)

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

FR IT CHE DEU AUT

Portfolio Managers

Cyrielle BOYER, Alain KRIEF

Key features

Benchmark: EONIA OIS
Recommended investment horizon: 1.5 Year
Creation date of the fund: 25/02/2002
Initial date of performance: 25/02/2002

Legal structure	French FCP
ISIN code	FR0007067673
Bloomberg code	WESTECR FP
Currency	Euro
Dividend policy	Accumulation units
Minimum (initial) investment	1 Unit
Subscription fees	4 % (maximum)
Redemption fees	Nil
Management fees	0.40% of net assets, inclusive of tax (excluding UCITS)
Performance fees	15% of the fund's outperformance exceeding EONIA OIS+0.50%
Ongoing charges	0.38%
Management company	Oddo BHF AM SAS
Custodian	Oddo BHF SCA, France (Paris)
Administration and Accounting:	EFA
Subscriptions/ redemptions	11:15am D
NAV calculation frequency	Daily
Transaction fees	Transaction fees are listed in the prospectus and may be applied in addition to the fees shown above.

Investment strategy

The fund's objective is to obtain a higher return than Eonia while limiting volatility, with a recommended investment period of 18 months. It selects short-dated debt securities of private issuers, primarily investment grade, with the opportunity of diversifying up to 10% of assets in high yield securities to capture the higher returns associated with investment in speculative securities.

Annual performance (rolling 12 months)

from	3/28/13	3/31/14	3/31/15	3/31/16	3/31/17
to	3/31/14	3/31/15	3/31/16	3/31/17	3/29/18
Fund	2.1%	1.5%	-0.1%	0.5%	0.1%
Benchmark	0.1%	0.0%	-0.2%	-0.3%	-0.4%

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

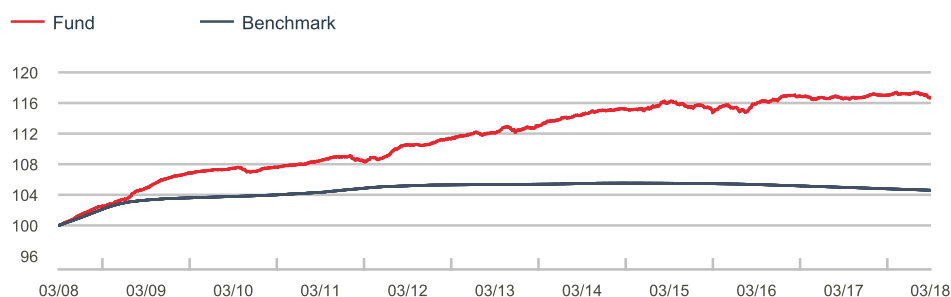
Calendar performance (from January 01 to December 31)

	2013	2014	2015	2016	2017
Fund	1.7%	1.2%	0.1%	1.1%	0.4%
Benchmark	0.1%	0.1%	-0.1%	-0.3%	-0.4%

Performance Analysis

	Annualised performance			Cumulative performance					
	3 years	5 years	10 years	1 month	YTD	1 year	3 years	5 years	10 years
Fund	0.17%	0.81%	1.56%	-0.38%	-0.39%	0.11%	0.51%	4.12%	16.69%
Benchmark	-0.29%	-0.14%	0.45%	-0.03%	-0.09%	-0.36%	-0.86%	-0.70%	4.60%

10-year change in performance (base 100)



Technical and risk indicators*

	3 years	5 years
Tracking Error	0.68%	0.65%
Sharpe ratio	0.69	1.44
Information ratio	0.69	1.45

	Fund
Modified duration	0.98
Yield**	0.55%
Credit sensitivity	2.74
Average maturity (year)	2.92

Annualised volatility

	1 year	3 years	5 years
Fund	0.44%	0.68%	0.65%
Benchmark	0.00%	0.01%	0.03%

*Definitions of the financial indicators used are available for download on the website www.am.oddo-bhf.com under the heading "Regulatory information".

Sources : ODDO BHF AM SAS, Bloomberg, Morningstar®

Investor is informed that Oddo Obligations Court Terme is a bond Fund and cannot be equated to a monetary Fund. Yields are given for information purposes only and do not represent any yield guarantee. Rates are gross of fees, excluding any case of default.YTM: Yield To Maturity.

(1) The risk profile is not constant and may vary 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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DrawDown Indicators

Max DrawDown 5 years	1.31%
Recovery (in days)	206
VAR 99% weekly 1 year	-0.14%

Portfolio manager comment

In March, Jerome Powell's first monetary policy meeting as Fed chair brought no nasty surprises, but two events in particular rattled investors.

Firstly, the manufacturing cycle slowdown is worsening. However, as we saw last month, the sector was exceptionally buoyant in Q4 2017, so some cooling off is not unusual – especially given the high manufacturing inventories. Moreover, growth forecasts for the year were only downgraded slightly. Expectations were perhaps too optimistic, and it now seems very likely that global growth will stabilise at a high level.

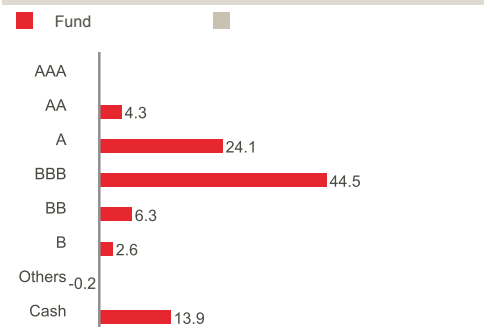
Secondly, this month also saw heightened tensions between the US and China. The former accused the latter of intellectual property theft, costing the US an estimated USD 50 billion a year, and announced plans to impose tariffs of 25% on USD 50 billion of imported goods. China is expected to announce similar retaliatory measures. It is worth noting several points: first of all, the amounts involved are relatively insignificant for now (around 10% of imports from China, and 2% of all imported goods); secondly, an all-out trade war would be a zero-sum game; thirdly, in view of the mid-term elections, Donald Trump may have gotten as much political gain as he could out of this latest move with the least economic losses (including the ensuing stock market fall); and lastly, China traditionally tends to avoid direct clashes unless absolutely necessary. In other words, we believe that a "grand bargain" – as well as a weakening of the dollar – is highly likely.

The upcoming results to be posted by listed companies are therefore especially key, and will be the deciding factor in whether the equity and credit markets will continue their rise. The Q1 reporting season, which begins in mid-April, is looking fairly positive, given projected profit growth of 17% in the US and 8% in Europe (the disparity being mainly explained by the US tax regime).

In March, the short end of the curve changed only slightly. Surplus liquidity remained high (1.798 trillion at the end of March vs 1.859 trillion for the previous month, with part of this slight decline probably attributable to the end-of-quarter timing). In addition, the markets are not expecting the ECB to make any changes to key rates until 2019. At the end of the month, the 1-month, 2-month, 3-month and 6-month EURIBOR rates were -0.372%, -0.341%, -0.328% and -0.271%, respectively. The EONIA averaged -0.364% over the month. In this risk-averse environment, German 5-year yields fell by 12.6 bps to -0.102% at the end of the month, while credit premiums widened by nearly 17 bps.

This month the fund suffered from the drop in German yields and widening credit premiums in the investment grade segment. The fund's performance in March was down 37.6 basis points. The investment grade credit component detracted 2.6 basis points from fund performance. The high yield component cost the fund 2.1 basis points. Managing the interest rate hedge knocked 32.9 basis points off performance. In terms of interest rate hedging this month, we used both options (to exploit interest rate volatility) and futures (to limit the payment of premiums).

Breakdown by rating (excluding term deposits)

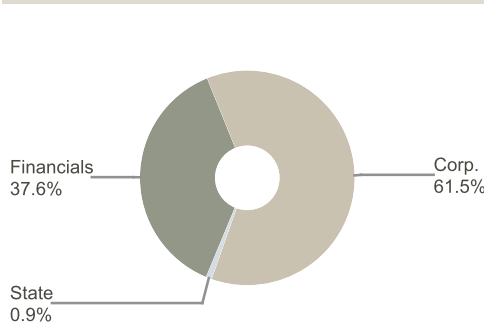


The breakdown takes into consideration the rating of the issuer or the guarantor in the case of unrated issues.

Breakdown by final maturity (%)

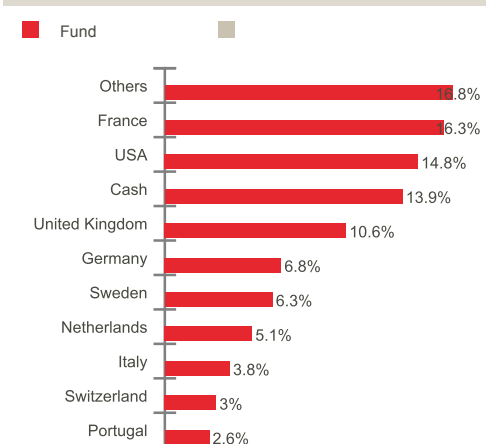


Breakdown by issuer type (excluding cash)



* Breakdown by issuer type (in look-through UCITS and excluding cash)

Geographic breakdown



Main portfolio holdings (excluding term deposits)

Security name	Weight	Issuer type	Country
Oddo Bhf Euro High Yield Bond Ci-Eur	5.9%	UCITS	Europe
Svenska Handelsbanken Ab 0.50% 03/2023	1.6%	Financials	Sweden
Deutsche Ann Fin Bv 2.25% 12/2023	1.6%	Corp.	Germany
Ubs Group Funding 1.75% 11/2022	1.5%	Financials	Switzerland
Ing Bank Nv 0.75% 02/2021	1.4%	Financials	Netherlands
Bat Holdings Bv 4.88% 02/2021	1.4%	Corp.	UK
Banque Fed Cred Mutuel 4.00% 10/2020	1.3%	Financials	France
Brisa Concessao Rodov Sa 3.88% 04/2021	1.3%	Corp.	Portugal
Psa Banque France 0.63% 10/2022	1.3%	Financials	France
Nordea Bank Ab 4.50% 03/2020	1.3%	Financials	Sweden

Number of holdings: 110

Main portfolio derivatives

Product	Type	Exposure (%)
Euro-Bobl Future Jun18	Interest rate Future	-26.8%
Euro-Schatz Fut Jun18	Interest rate Future	-14.6%
Put Euro Bobl (Eux) Mai18 P130.75	Interest rate Option	-2.7%

The fund is exposed to the following risks : risk of capital loss, risk associated with discretionary management, risk associated with commitments on forward financial instruments, interest rate risk, counterparty risk, credit risk, , liquidity risk of underlying assets, risk associated with high yield bonds, emerging markets risk, currency risk.

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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 €7,500,000. 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

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