



ODDO BHF
ASSET MANAGEMENT

Fund Insight

ODDO BHF FUTURE OF FOOD

APRIL 2023

THE FIGURE OF THE MONTH

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As the maximum number of tomatoes one is allowed to buy in a UK supermarket

Inception date of the fund

July 2018

Assets under management

\$ 48 M

PORTFOLIO SNAPSHOT

Access to the latest performance and factsheets

Risk profile ¹

[VIEW](#)

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

Countries in which the fund is authorized for marketing to clients: France, Belgium, Switzerland, Germany, Spain, Luxembourg, Austria, Sweden.

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. | Asset class: Equities; Currency: CHF / EUR / USD.

Data as of 15/04/2023 | Source: ODDO BHF (Switzerland)

Story OF THE MONTH

Putting together a salad in the UK has rarely been so difficult. After a dramatic peak in egg prices, which we discussed in last month's Fund Insight, British shoppers are now facing a worsening shortage of various produce. Tomatoes, cucumbers and peppers have now been rationed for several weeks, with shoppers limited to a maximum of 3 of any kind as a way to manage the shortage.

The ongoing British "vegetable fiasco", in the words of one European broadcaster, is the result of several unfortunate synergies.

First, Britain depends on imports for much of these types of produce, putting supply in danger when, as it did this winter, climate change-induced weather patterns damage production. For instance, at this time of year, Britain imports around 95% of all tomatoes it consumes, with more than 25% coming from Morocco, and 20% from Spain. Morocco has seen unusually cold temperatures, rainfall and even snow in the past weeks. Aiming to stabilize domestic tomato prices, Morocco cut its exports, leading to a disproportionate impact on Britain's food supply. In this sense, the UK's dependence on a small number of external actors for production has increased the vulnerability of its produce supply. Similarly, an extended cold snap in Spain has disrupted lettuce, cabbage and persimmon production, driving up prices and lowering export volumes to the UK.

Second, British growers, facing disproportionately high energy costs, have been reluctant to balance out the fall of supply by growing produce in greenhouses, a notoriously energy-intensive process. This is telling of the severity of the cost-of-living crisis Britons are currently facing. Even with food inflation at 17.5% as of March 19, its highest level since 1977, and with farmers standing to make outsized profits, high energy costs continue to make mass production in greenhouses unviable. As things stand, UK food inflation has meant that the average household now faces an additional annual £ 837 spent on groceries if they do not cut costs.

Third, the trade disruptions caused by Brexit may have aggravated the situation by making Britain a comparatively unattractive trade partner. Indeed, and with limited supply, exporters must make choices, and Britain's Brexit-induced requirements of customs declarations and pre-notifications for produce imports mean that deliveries are often held up for inspections. Some reports suggest that a truck bringing Spanish tomatoes into the UK spends, on average, 77 hours in inspection queues, to the point that many lorry drivers refuse to deliver to the UK. We can't say we blame them.

The situation is unlikely to improve in the near future, and may worsen as shortages spread to UK-grown produce. Cauliflower, leek and carrot production is likely to suffer from recent weather with the month of February being the driest on record since 1993. In these conditions, Jack Ward, CEO of the British Growers Association, warned that "there's a limit to how long growers can carry on producing stuff at a loss".

**None of the aforementioned companies constitutes an investment recommendation.
Past performance is not a reliable indication of future return and is not constant over time.**

Why invest

IN ODDO BHF FUTURE OF FOOD?

A THEME ON THE RISE: THE FUTURE OF FOOD:

The ongoing food revolution is driven by consumer, regulation and sustainability. From food production to consumption, the entire value chain will be significantly affected. An investment in companies shaping the Future of Food should offer interesting opportunities for investors.

AN INNOVATIVE PROCESS DRIVEN BY ARTIFICIAL INTELLIGENCE:

Use of Natural Language Processing by the management team. More than 4 million data points analysed per day, with the objective of generating new investment ideas and detecting the most alpha generating sub-themes linked to the Future of Food theme.

A COMPREHENSIVE EXPOSURE:

The fund notably offers our clients a direct exposure to high-growth sub-themes encompassing the entire value chain from farm to fork: farming 4.0, food innovation, new ways of consuming and closing the food loop.

A SUSTAINABLE APPROACH:

Identification of the most promising companies based on an experienced and complementary investment management team and a strong ESG process.

INVESTMENT TEAM



CLÉMENT MACLOU
Thematic Portfolio Manager
ODDO BHF Switzerland



NICOLAS MOESCHLER
Thematic Portfolio Manager
ODDO BHF Switzerland

RISKS

ODDO BHF Future of Food is mainly exposed to the following risks: Risk of capital loss, liquidity risk, inflation risk, tax risk, counterparty risk, operational & custody risk, currency risk, low interest rate risk, risk associated with small market capitalization stocks, specialized or concentrated sector risk, derivatives risk, efficient portfolio management techniques risk, equity market risk, commodity market risk, risk associated with an investment in shares of UCIs or UCITs, sustainability risk.

ISIN codes of the fund

CRw USD

LU1831000762

CIw USD

LU1831000929

CRw EUR

LU1979509194

CIw EUR

LU1979510283

CRw CHF

LU1831001141

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ODDO BHF ASSET MANAGEMENT SAS (FRANCE)

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