



**ODDO BHF**  
ASSET MANAGEMENT



# Fund Insight

## ODDO BHF POLARIS FUNDS RANGE

SEPTEMBER 2023

### THE FIGURE OF THE MONTH

# 80%

80% of US companies beat analysts' earnings expectations

Assets under management

## € 4,106 M

### PORTFOLIO SNAPSHOT

Access to the latest performance and factsheets	Morningstar rating <sup>1</sup>	Risk Indicator <sup>2</sup>
ODDO BHF POLARIS <i>Moderate</i> <a href="#">VIEW</a>	★★★★★ <sup>3</sup>	①②③④⑤⑥⑦
ODDO BHF POLARIS <i>Balanced*</i> <a href="#">VIEW</a>	★★★★★ <sup>4</sup>	①②③④⑤⑥⑦
ODDO BHF POLARIS <i>Dynamic*</i> <a href="#">VIEW</a>	★★★★★ <sup>5</sup>	①②③④⑤⑥⑦
ODDO BHF POLARIS <i>Flexible</i> <a href="#">VIEW</a>	★★★★★ <sup>6</sup>	①②③④⑤⑥⑦

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: Austria, Germany, France, Italy, Luxembourg, Spain, Switzerland and Sweden.

\*ODDO BHF Exklusiv; Polaris Balanced and ODDO BHF Exklusiv; Polaris Dynamic are sub-funds of the umbrella (FCP) ODDO BHF Exklusiv | <sup>1</sup> Morningstar™ rating as of 31/08/2023 | <sup>2</sup> 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. | Morningstar category: <sup>3</sup> ODDO BHF Polaris Moderate (EUR Cautious Allocation), <sup>4</sup> ODDO BHF Exklusiv Polaris Balanced (EUR Moderate Allocation - Global), <sup>5</sup> ODDO BHF Exklusiv Polaris Dynamic (EUR Aggressive Allocation), <sup>6</sup> ODDO BHF Polaris Flexible (EUR Flexible Allocation - Global)  
Data as of 31/08/2023 | Source: ODDO BHF AM

# Story OF THE MONTH

## EARNINGS GROWTH DESPITE ECONOMIC SLUMP? INSIGHTS FROM THE REPORTING SEASON

**Despite higher interest rates and other negative factors, the major stock indices are holding up surprisingly well. Probably the most important factor for long-term price gains is the further course of corporate earnings. As they do every quarter, companies around the world opened their books again and reported on current trends. Read on for our findings and conclusions.**

## DISAPPOINTMENTS MORE PRONOUNCED IN EUROPE AND IN CYCLICAL SECTORS

Typically, the majority of companies exceed (usually cautiously set) expectations. However, in the Q2 2023 reporting season, only about one in two companies in Europe beat earnings expectations. In particular, there were disappointments in the cyclical commodities sector, as the overall economy weakened, and commodity prices declined significantly from the high levels of 2022. Companies in the construction and real estate sectors are also suffering from the difficult economic and interest rate environment.

## CONTINUED STRUCTURAL GROWTH IN MANY KEY INDEX SEGMENTS, PARTICULARLY IN THE US MARKETS

However, the earnings season was significantly better on the US stock market. Almost 80% of the companies here beat market expectations. This clearly shows the stronger focus of the US indices on growth sectors. In the IT sector, almost 9 out of 10 companies were able to exceed expectations. The artificial intelligence sector in particular continues to be booming. The American AI chip manufacturer NVIDIA was again able to exceed sales and earnings expectations by more than 20%, but other IT companies such as Alphabet and Amazon also excelled with strong profits. Companies from the defensive healthcare and consumer sectors delivered similarly good results. After all, even in a more difficult economic environment, people hardly ever cut back on necessities.

## TO SUMMARIZE: GO FOR STOCK SEGMENTS WITH "SPECIAL ECONOMIC CONDITIONS"

It is true that the economic outlook has been dampened. Factors such as high interest rates and the battered real estate sector will continue to weigh on the markets. However, for many companies, some of which are highly weighted in the indices, this does not mean an inevitable collapse in profits. In the current market environment, companies whose profit development is structural in nature and less dependent on the ups and downs of the economic situation should continue to perform well. These quality stocks can thus withstand the headwind of rising interest rates and remain a suitable investment alternative.

**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 POLARIS FUNDS RANGE

**FOUR GLOBAL DIVERSIFIED FUNDS TO INVEST ACCORDING TO YOUR RISK PROFILE, YOUR INVESTMENT OBJECTIVES AND YOUR MARKET SENTIMENT. MODERATE, BALANCED, FLEXIBLE OR DYNAMIC**, each Polaris fund gathers the same scrutiny in term of company's selection and risk management

**ROBUST TRACK-RECORD AND INVESTMENT PHILOSOPHY** with the first fund **LAUNCHED IN 2005** (with the innovation of ODDO BHF Polaris Moderate)

The 4 funds went through **VARIOUS CRISIS** (Subprime crisis, Euro Sovereign crisis, Trade War tensions, Corona Virus) with a potentially **STRONG ABILITY TO REBOUND**

**DIVERSIFIED, CONVICTION-DRIVEN AND LONG-TERM INVESTMENT MANAGEMENT** approach with a selection of companies which operate all around the world

**EQUITY SELECTIVITY AND QUALITY AT THE HEART OF THE ALPHA CREATION:** portfolios focused on companies with strong fundamentals, financial and extra-financial sustainability, competitive edges and real ability to go through all the phases of the economic cycle

**LONG-TERM GROWTH POTENTIAL OF THE FUNDS WITH THE IDENTIFICATION OF SECULAR TRENDS** such as digitalization of the economy, new consumer & worker trends, growing middle class and ageing population

The 4 funds integrate **ESG CRITERIA** into their investment process. We strongly believe the explicit integration of ESG criteria striving to select **WELL-MANAGED COMPANIES** with responsible practices has a **POSITIVE INFLUENCE** on the long term performance for investors

**DEFENSIVE FIXED INCOME BUCKET WHICH AIMS TO LIMIT DRAWDOWN** (min 90% Investment Grade names)

**A TEAM OF WELL-EXPERIENCED PORTFOLIO MANAGER AND INVESTMENT SPECIALISTS, BASED IN FRANKFURT**, dedicated to the selection and review of the companies in portfolio



# INVESTMENT TEAM



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ODDO BHF SE



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JONAS EISCH  
Investment Specialist  
ODDO BHF TRUST

● Year of experience within ODDO BHF Group

● Year of investment experience

## RISKS

The fund is exposed to the following risks: risk of capital loss, equity risk, risk linked to the holding of small and midcaps, interest-rate risk, credit risk, volatility risk, modelling risk, portfolio concentration risk, foreign-exchange risk, risks linked to discretionary management, liquidity risk of underlying assets, risk incurred from excess exposure, counterparty risk, risk associated with commitments on forward financial instruments, risks related to securities financing and collateral management, risk relating to investment in high-yield speculative securities and, in an incidental manner emerging market risk.

### ISIN codes of the fund

ODDO BHF Polaris Moderate	ODDO BHF Exklusiv Polaris Balanced	ODDO BHF Exklusiv Polaris Dynamic	ODDO BHF Polaris Flexible
<b>DRW-EUR Share Class</b> DE000A0D95Q0	<b>DRW-EUR Share Class</b> LU0319574272	<b>DRW-EUR Share Class</b> LU0319577374	<b>DRW-EUR Share Class</b> LU0319572730
<b>CR-EUR Share Class</b> DE000A2JJ1W5	<b>CRW-EUR Share Class</b> LU1864504425	<b>CR-EUR Share Class</b> LU1849528234	<b>DNW-EUR Share Class</b> LU1807158784
<b>CI-EUR Share Class</b> DE000A2JJ1S3	<b>CR-EUR Share Class</b> LU1849527939	<b>DNW-EUR Share Class</b> LU1781770794	<b>CR-EUR Share Class</b> DE000A2JJ1S3

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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](http://am.oddo-bhf.com).

If the fund is licensed for sale in Switzerland, the representative there is ACOLIN Fund Services AG, Leutschenbachstrasse 50 - 8050 Zurich, Switzerland. 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.

## ODDO BHF ASSET MANAGEMENT GMBH (GERMANY)

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