

# **ODDO BHF CHINA DOMESTIC LEADERS**

**annual  
report**

FRENCH COMMON FUND (FCP)

FINANCIAL YEAR ENDED:30/06/2023

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|---------------------------------|---|
| <b>Management company</b>       | ODDO BHF ASSET MANAGEMENT SAS<br>12, boulevard de la Madeleine – 75009 Paris  |
| <b>Custodian and depository</b> | SOCIETE GENERALE<br>29, boulevard Haussmann – 75009 Paris   |
| <b>Statutory auditor</b>        | CONSEIL ASSOCIES, DFK INTERNATIONAL<br>50, avenue de Wagram – 75017 Paris<br>Authorised signatory: Mr Jean-Philippe Maugard |

# Information on investments and management

## Classification

“International equities” fund.

## Determination and allocation of distributable income:

Distributable income allocation

### Allocation of net income

Accumulation.

### Allocation of net realised capital gains or losses

Accumulation.

## Fund of funds:

Up to 10% of net assets.

## Investment objective

The Fund’s investment objective is to outperform the MSCI China A Index in USD converted into EUR (net dividends reinvested) over the recommended investment horizon of five years, after deduction of management fees, while also taking ESG criteria into account.

## Benchmark index

The benchmark is the MSCI China A Index (net dividends reinvested “net return”). MSCI is the administrator of this benchmark.

The Fund’s benchmark is the MSCI China A net return index in USD converted into EUR, which tracks mid- and large-cap stocks listed on the Shanghai and Shenzhen stock exchanges and accessible on Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. The benchmark index used is designed for international investors and is calculated using China A Stock Connect quotations, based on the Offshore RMB (CNH) exchange rate.

It is calculated each day by MSCI on the basis of closing prices, dividends reinvested.

The above index is a broad market index that does not necessarily reflect, in its composition or method of calculation, the ESG characteristics promoted by the Fund.

For a description of the method used to calculate the index, please visit the MSCI website ([www.msci.com](http://www.msci.com)).

The benchmark administrator (MSCI) is entered on the register for administrators and benchmarks maintained by the ESMA.

In accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016, the Management Company has a procedure for monitoring the benchmarks used, describing the actions to be taken in the event that a benchmark materially changes or ceases to be provided.

Investors are advised that the benchmark index does not constitute a limitation on the Fund's investment universe. It allows the investor to assess the Fund's risk profile. The Fund's performance and composition may differ substantially from those of its benchmark index.

## Investment strategy

The Fund aims to maximise long-term capital growth by investing at least 70% of its net assets in equities included in the MSCI China A Index ("A Shares") through QFII/RQFII. The Fund may also invest up to 30% of its net assets in equity securities issued by companies registered or listed in China, that primarily operate from China, have significant business in China, or that generate substantial revenues in China, or whose subsidiaries, affiliates or associates generate substantial revenues in China ("H Shares", "Red Chips", "P Chips", "ADRs" and "GDRs").

The Fund will not systematically hedge against currency risk and up to 105% of its net assets may be exposed to this risk.

The Fund's maximum exposure to all instruments (equities, funds and derivatives) is limited to 105% of net assets, it being understood that the maximum exposure is the sum of the net exposures to each of the markets to which the Fund is exposed (the sum of long and hedging positions).

In constructing the Fund's portfolio, the Investment Manager, under the Management Company's responsibility and with the Investment Advisor's assistance, applies the following selection process:

### Step 1: ESG filters

The initial investment universe is based on the MSCI China All Shares Index, including A Shares, H Shares, Red Chips, P Chips and foreign listed shares. A filter is applied to take ESG (Environmental, Social and Governance) criteria into account. In two parts, this ESG filter excludes at least 20% of companies from the initial investment universe with the lowest scores, based on the score supplied by MSCI ESG, using a "best in class" approach:

#### I. Sectoral exclusions:

Strict exclusions are applied to companies that do not respect the UN Global Compact, and sectoral exclusions are implemented for coal mining (exclusion of any company whose annual production exceeds 10 million tonnes as defined in Urgewald's Global Coal Exit List or, alternatively, whose production exceeds 5% of revenue. These thresholds will reach zero by 2030 for EU and OECD countries, and by 2040 for the rest of the world), coal-based power generation (exclusion of any company for which coal exceeds 25% of the production mix or, alternatively, 25% of installed capacity. These thresholds will be lowered to 20% in 2022, 15% in 2024, 10% in 2026, 5% in 2028 and 0% in 2030 for EU and OECD countries) and development projects or infrastructure related to coal (exclusion of any company operating in mining or coal-based power generation and developing new projects involving the use of thermal coal, regardless of the project's size; this also includes coal-related infrastructure projects such as port or road developments specifically facilitating coal production) as defined in Urgewald's Global Coal Exit List, non-conventional weapons (chemical weapons, anti-personnel mines and cluster bombs), tobacco (exclusion of any company generating more than 5% of its revenue from the production of tobacco), the non-conventional production and processing of oil and gas (exclusion of any energy company generating more than 5% of its revenue from the exploration-production and use of non-conventional oil and gas. This includes shale oil and gas, as well as tar sands), operations and production in the Arctic region (exclusion of any energy company generating 10% of its revenue from the exploration-production and use of

conventional and non-conventional oil and gas in the Arctic region), companies active in the palm oil industry that contravene sustainability principles (exclusion of any company that generates more than 5% of its revenue from different activities in the palm oil industry and that contravenes sustainability principles as defined by certification bodies) as defined in Storebrand's Standard Unsustainable Palmoil list, and companies that have a history of involvement in serious environmental breaches and controversies.

#### II. ESG score:

MSCI ESG provides an assessment of companies' exposure to risks and opportunities arising from ESG criteria, based on a rating scale from CCC (worst score) to AAA (best score). As part of the ESG rating process, MSCI also provides a score from 0 to 10 on each of the three aspects (Environmental, Social and Governance), as well as on various other criteria that are taken into account as follows:

- (1) The MSCI ESG Controversies Score reflects an assessment of controversies and their severity on a scale from 0 (very serious) to 10 (no recent incidents). The Fund's investment universe is limited to entities whose MSCI ESG Controversies score is 1 or higher;
- (2) any company having an MSCI ESG score of CCC will be excluded from the investment universe, and
- (3) any company having an MSCI ESG score of B will be excluded from the investment universe if at least one of the E, S or G aspects is rated below 2. Otherwise, B scores are allowed.

This initial ESG screening is revised quarterly in line with MSCI ESG Research. Should the Fund be invested in a company that no longer meets these criteria, the Fund will divest completely within three months of noting the company's exclusion from the investment universe.

As part of the company rating process, the following criteria, among others, are analysed:

- Environment: energy consumption, water consumption, waste management, environmental certifications, products and services with environmental value-added, climate risk management, etc.
- Social: human capital (human resources management, executive team diversity, training, employee health and safety, etc.), supplier management, innovation, etc.
- Governance: corporate governance (preservation of minority shareholder's interests, composition of governance bodies, remuneration policy, etc.), fiscal responsibility, exposure to risk of corruption, etc.

The ESG analysis covers at least 90% of the Fund's assets (excluding cash). This ESG analysis is based exclusively on data from the external data provider MSCI.

#### **Step 2: Reducing the investment universe with quantitative and liquidity filters**

The eligible universe is then filtered on the basis of an analysis carried out by the Investment Advisor, who prepares a score for each company based on a quantitative review of certain criteria including: market capitalisation, enterprise value, net earnings growth, change in the price/earnings-to-growth ratio, and return on equity. Qualitative adjustments are then made to determine whether the preselected company represents an investment opportunity for the Fund. Qualitative criteria that are taken into account include strength of business model, ability to generate positive cash flows over the long term, quality of management, and potential growth of the business. The aim of this analysis is to eliminate poor companies (weak business model, lack of transparency, etc.).

The Investment Advisor also considers a number of companies that, in the Advisor's opinion, merit further study after failing to meet all of the quantitative criteria (companies undergoing restructuring, growth expected to be well above trend). After this second stage, 200 to 300 companies are looked at in more depth and then monitored.

#### **Step 3: Top-down macroeconomic forecasts and sector-based allocation**

Numerous macroeconomic indicators are analysed to assess current economic and liquidity conditions, including growth indicators (e.g. PMI, retail sales), liquidity indicators (e.g. interbank rates, 10-year government bond yields, change in spreads, etc.), and inflation indicators (e.g. CPI, PPI, oil prices, etc.). The Investment Advisor also looks at the different sectors' valuations relative to the A Shares market, to other global equity markets, and to past levels, with an emphasis on the main drivers of long-term growth in China such as technological catch-up, population growth, and improving production processes. Consideration of these growth drivers is key to the strategic sector allocation.

Based on the analysis of macroeconomic indicators and sector valuations, and taking monetary and fiscal policies into account, the Investment Advisor draws up top-down macroeconomic forecasts. These forecasts, the aim of which is to guide positioning on the sectors most likely to outperform in the current macroeconomic environment, determine the Fund's sector allocation.

#### **Step 4: Stock selection**

The investment strategy is concentrated on the search for GARP (growth at a reasonable price) stocks.

To determine a company's ability to maintain its earnings trend over time, the Investment Advisor carries out a detailed fundamental analysis and precise financial modelling of preselected businesses. This bottom-up analysis, which is specific to each company, gives particular consideration to strategy, financial robustness, management quality, competitive positioning, potential growth, and valuation. It is supplemented with an analysis of operational, financial, strategic, political and investment risks. Each company is then recommended on the basis of an assessment of earnings growth, valuation, downside risk and expected volatility.

The Investment Advisor constantly provides the Investment Manager with a target portfolio that combines the best investment ideas with the adjustments needing to be made to the existing portfolio to reflect the new sector preferences and convictions about individual stocks. The weighting of each position in the target portfolio is determined according to fundamental convictions and active risk management to provide sufficient diversification. This selection process enables the Fund to take long-term positions and make a certain number of large bets without being forced to close positions in the event of excessive volatility.

### **Step 5: Portfolio construction and risk/return optimisation**

Based on the target portfolio established by the Investment Advisor, the Investment Manager carries out a quantitative risk assessment to ensure that the Fund's risk/return ratio appears to be optimal, and is in keeping with the various risk control constraints. Once this optimisation is complete, the Investment Manager builds the final portfolio of 30 to 50 stocks. The Investment Manager also uses a number of proprietary applications to monitor the portfolio in order to manage any risk that may arise and determine whether certain positions should be sold, or alternatively strengthened to maximise the risk/return profile.

The Fund is a financial product that promotes environmental and social factors as defined in Article 8(1) of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR"), the ESG (Environmental and/or Social and/or Governance) policy of which is presented below. However, the Fund does not have sustainable investment as its objective as defined by Article (9) of the SFDR. As such, the Fund is subject to sustainability risk as defined below.

Regulation (EU) 2020/852 (hereinafter the "Taxonomy") is aimed at identifying environmentally sustainable economic activities.

The Taxonomy identifies these activities based on their contribution to six major environmental objectives:

- climate change mitigation;
- climate change adaptation;
- the sustainable use and protection of water and marine resources;
- the transition to a circular economy (waste, prevention and recycling);
- pollution prevention and control;
- the protection and restoration of biodiversity and ecosystems.

To be considered sustainable, an economic activity must show that it contributes substantially to one or more of the six objectives, while avoiding significant harm to any of the other objectives ("do no significant harm" principle).

For an activity to be deemed consistent with the Taxonomy, it must also respect the human and social rights guaranteed by international law (minimum social guarantees).

The following information is merely an estimate, based on data obtained from external data providers. In anticipation of data that will be provided by companies covered by the Taxonomy in future, the Management Company estimates that up to 5% of the Fund is invested in activities aligned with the taxonomy in terms of:

- climate change mitigation; or
- climate change adaptation;

The Fund may exceed this percentage if the Management Company or data providers have underestimated the data that the companies will eventually publish. The Management Company expects that the percentage of these investments will increase as more data becomes available, and the Taxonomy's methods change.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The other underlying investments do not take into account EU criteria on environmentally sustainable economic activities.

### **1) Principal categories of assets used (excluding embedded derivatives):**

#### **Equities**

At least 70% of the Fund portfolio is permanently invested in equities that feature in the MSCI China A index. The Fund may invest up to 30% of its net assets in equity securities issued by companies registered or listed in China, that primarily operate from China, have significant business in China, or that generate substantial revenues in China, or whose subsidiaries, affiliates or associates generate substantial revenues in China ("H Shares", "Red Chips", "P Chips", "ADRs" and "GDRs").

The Fund will invest in company shares with a capitalisation of over CNY 5 billion when first added to the portfolio.

#### **Fund shares or units**

Up to 10% of the Fund may be invested in shares or units of:

- French or foreign UCITS that may not invest more than 10% of their assets in units or shares of other UCITS, AIFs or investment funds
- French AIFs or AIFs from other EU Member States.
- investment funds established under foreign law.

The units or shares of these AIFs and investment funds must meet the four criteria under article R214-13 of the French Monetary and Financial Code, namely: (i) that they are subject to regulations equivalent to those applicable to UCITS and that there is cooperation between the AMF and the regulatory body of the AIF; (ii) that the level of protection granted to unitholders is equivalent to that of UCITS; (iii) that they issue semi-annual and annual reports explaining their activities; and (iv) that they must not themselves invest over 10% of their assets in units or shares of other UCITS, AIFs or foreign investment funds.

These funds may be managed by ODDO BHF Asset Management SAS and/or ODDO BHF Asset Management GmbH and/or ODDO BHF Asset Management Lux. The investment strategies of these funds will be compatible with the Fund's investment strategy.

## **2) Derivatives:**

The Fund has the discretion to invest in financial futures or options traded on regulated or organised markets or over-the-counter in France and other countries, subject to the limit of 100% of the net assets. The Fund may use futures or options to hedge or increase the portfolio's exposure to equities, business sectors or market indices, in order to achieve the specified investment objective. It may also use forward currency contracts or currency swaps (used to hedge the currency risk linked to holding assets denominated in foreign currency).

The Fund will not use total return swaps.

## **3) Securities with embedded derivatives:**

The investment manager excludes securities with embedded derivatives from the Fund's portfolio.

## **4) Deposits**

The Fund may use deposits to generate a return on cash holdings, up to the limit of 20% of its net assets.

Used as part of day-to-day management of the Fund's cash assets, these will contribute to achieving the investment objective based on their level of return.

## **5) Cash borrowings**

The Fund may borrow the equivalent of up to 10% of its net assets in cash in order to cover a temporary delay between incoming and outgoing funds relating to purchases and sales of securities issued on the market, or to cover large redemptions;

## **6) Temporary purchases and sales of securities:**

The Fund will not make use of temporary purchases and sales of securities.

## **7) Collateral management:**

Within the scope of OTC financial derivatives transactions, the Fund may receive financial assets as collateral.

The purpose of receiving collateral is to reduce the Fund's exposure to counterparty default risk. They will consist solely of cash. Transactions potentially requiring the use of collateral shall be carried out with an EU or UK credit institution that may belong to the ODDO BHF group.

Any collateral received shall also, in accordance with regulations, comply with the following:

- criteria for liquidity, valuation (at least daily, and assets that are not highly volatile, unless adequate discounts are obtained), issuer creditworthiness, correlation (independence with regard to the counterparty) and diversification with no more than 20% of the net assets exposed to a given issuer;
- it shall be held by the Fund's Custodian or any third party, in a segregated account that is subject to prudential supervision and has no connection with the collateral provider;
- collateral received must be available for full execution by the Fund at any time without consultation with or consent of the counterparty;
- collateral received as cash shall only be placed as deposits with eligible institutions or invested in top-tier government bonds (provided that such transactions are concluded with credit institutions subject to prudential supervision and on the condition that the Fund is in a position to recall the total cash amount at any time, accounting for accrued interest) or invested in short-term money market funds.
- the collateral shall not be reused.

## **Risk profile**

Your money will mainly be invested in financial instruments selected by the Management Company. These instruments are subject to the market's fluctuations and hazards.

The risks identified by the Management Company and presented below are not exhaustive. Investors are responsible for forming their own opinion independently from that of the Management Company, assessing the risk of any investments they



make, with the assistance of a financial investment adviser where appropriate, and for ensuring that the investment envisaged is suited to their financial situation and ability to assume financial risks.

In accordance with the provisions of Article 8 of the SFDR, the management team takes sustainability risks into account by integrating ESG criteria into its investment decision-making process, as set out below. This process also makes it possible to assess the management team's ability to manage the adverse sustainability impacts of their business activities. The investment team will announce how this product takes into account adverse sustainability impacts by 30 December 2022 at the latest. The Management Company, ODDO BHF Asset Management SAS, also takes ESG criteria into account through its own ESG exclusion policy. The Management Company is a signatory to the United Nations Principles for Responsible Investment (PRI) and the CDP (formerly known as the Carbon Disclosure Project).

Information relating to the Management Company's policies is available from [am.oddo-bhf.com](http://am.oddo-bhf.com).

Please refer to the Key Investor Information Document for information on the risk category to which this Fund belongs.

In particular, the Fund will be exposed to the following risks:

### **Risk of capital loss**

The Fund is not guaranteed or protected; investors may not get back their initial investment in full.

### **Equity risk**

The Fund invests in one or more equity markets that may experience significant fluctuations. The Fund's net asset value could fall during periods in which the equity market is falling.

### **Risk linked to investments in China**

Investments in China are exposed to political and social risks (restrictive regulations and potential unilateral changes, social instability, etc.), economic risk (due to a legal and regulatory framework that is less developed than the European framework), and stock market risk (volatile and unstable market, risk of sudden trading suspension, etc.). The Fund is exposed to risk associated with the RQFII status and licence awarded to the Investment Manager. Its status is subject to ongoing review by the Chinese authorities and may be revised, limited or revoked at any time, which may affect the Fund's investment capacity and therefore its net asset value. Finally, the Fund is exposed to risks associated with investments made through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect platforms and/or through QFII/RQFII.

### **Emerging market risk**

This risk is linked to the operating and monitoring conditions on emerging markets in which the Fund invests, which may deviate from the standards that exist on the large international markets and may be affected by various disruptions (such as changes in taxation or political stability, or a temporary lack of liquidity on these securities). These disruptions may trigger settlement/delivery problems likely to have an impact on the prices at which the fund may be obliged to liquidate its positions, which may then result in a sharp fall in the Fund's net asset value. The Fund may be fully exposed to emerging markets risk.

### **Risk associated with holding small and medium caps**

The Fund may be exposed to small and medium capitalisations. Price fluctuations, both upward and downward, are more acute and more abrupt than for large capitalisations, and may therefore result in sharp variations in the net asset value. Furthermore, the low volumes traded on these markets may result in liquidity risk. This type of investment may affect the Fund's valuation and the prices at which the Fund may be obliged to liquidate its positions, particularly in the case of large redemptions, and may even make it impossible for the Fund to sell its holdings, as a result of which the Fund's net asset value may fall.

### **Currency risk**

This risk is linked to portfolios invested fully or partially in securities denominated in currencies other than the Fund's reference currency and corresponds to the variation in the exchange rate between these currencies and the Fund's reference currency. As such, the value a security may be affected by a change in the value of its reference currency against the euro, even though its value in its base currency may not change, thereby causing the net asset value of the Fund to fall.

### **Risk associated with commitments on forward financial instruments**

The Fund may use derivatives alongside securities in the portfolio, with an overall commitment of up to 100% of the net assets. The Fund's net asset value could fall if markets move unfavourably.

### **Counterparty risk**

This is the risk of a counterparty's collapse, causing it to default on payment. The Fund may be exposed to the counterparty risk caused by the use of forward financial instruments contracted over-the-counter with credit institutions.



The Fund is therefore exposed to the risk that one of these credit institutions may not be able to honour its commitments in connection with such instruments.

Certain contracts exposing the Fund to counterparty risk may be concluded with a company belonging to the ODDO BHF group.

#### **Liquidity risk of underlying assets**

Weak liquidity on a market makes it sensitive to significant movements in purchases/sales. This increases the volatility of the fund, the assets of which are listed or traded on this market, and may impact the valuation of these assets and, where applicable, the prices at which the Fund may be obliged to liquidate its positions. The lack of liquidity is particularly associated with certain geographic (emerging countries) and sector (small and mid caps) characteristics and with certain classes of securities in which the Fund may invest. In such cases, the net asset value of the Fund may therefore fall sharply.

A significant proportion of assets are invested in financial instruments that are sufficiently liquid but nevertheless liable, under certain circumstances, to have relatively weak liquidity, to the extent that this impacts on the liquidity of the Fund as a whole.

#### **Risks associated with securities financing transactions and collateral management**

Investors may be exposed to legal risk (arising from the legal documentation, the application of agreements and the limits imposed by them) and to the risk associated with the reuse of securities received as collateral, given that the net asset value of the Fund may vary depending on fluctuations in the value of the securities acquired through investment in cash received as collateral. In exceptional market conditions, investors may also be exposed to liquidity risk, making it difficult, for example, to trade certain securities.

#### **Sustainability risk**

Refers to an environmental, social or governance event or condition that, if it occurs, could have a real or potential negative impact on the value of the investments made by this Fund, in particular: 1) a fall in income; 2) higher costs; 3) damages or a depreciation in asset value; 4) higher capital cost; and 5) fines or regulatory risks. Owing to the nature of sustainability risks and specific subjects such as climate change, the probability of these sustainability risks having an impact on financial products' returns is likely to increase in the longer term.

- Environment:

- sector risks associated with the company's environmental footprint;
- physical and transition risks related to climate change;
- the materiality of environmental controversies; and the management of related conflicts of interest;
- the company's dependence on natural capital;
- risks associated with the company's activities, products and services that may have an impact on the environment.

- Social:

- sectoral health and safety risks
- environmental and social risks in the supply chain;
- social climate management and human capital development;
- management of quality and consumer safety risks;
- the management and materiality of social/societal controversies;
- management of innovation capacities and intangible assets;

- Governance:

- quality and transparency of financial and non-financial disclosures;
- sectoral risks associated with corruption and cybersecurity;
- the quality of corporate supervisory bodies
- the quality and sustainability of the corporate governance framework;
- management of conflicts of interest related to corporate governance;
- regulatory risks;
- the integration and management of sustainability in the company's strategy.

Sustainability risks are taken into account by the Management Company and are included in the Investment Manager's investment decisions when implementing the investment strategy. As regards the management of sustainability risks, the Management Company relies on the Investment Manager to implement the investment strategy set out above.

**On an ancillary basis:**

**Risks linked to the use of overexposure**

Taking into account the use of derivatives in particular, the Fund's maximum exposure to individual asset classes may not exceed 105% of the Fund's net assets. The risk therefore relates to a fall in the net asset value of the Fund if market developments are adverse. In the event of unfavourable changes in the strategies used, the net asset value may fall more significantly than the markets to which the Fund is exposed. This leverage has the effect of amplifying expected gains, but also heightens the risk of losses.

Investors are advised that the Fund's performance may fall short of its objectives.

**Guarantee or protection**

None (neither the capital nor the performance are guaranteed).

**Subscribers and investor profile:**

The units have not been, and shall not be, registered under the US Securities Act of 1933 (hereinafter "the Act of 1933"), or under any law applicable in a US State, and the units may not be directly or indirectly assigned, offered or sold in the United States of America (including its territories and possessions) for the benefit of any US Persons (hereinafter

U.S. Persons"), as defined by US "Regulation S" under the Act of 1933 adopted by the Securities and Exchange Commission or SEC, except if (i) the units are registered or (ii) an exemption is applicable (with the prior consent of the CEO of the Fund's management company). The Fund is not, and shall not be, registered under the US Investment Company Act of 1940. Any resale or assigning of units in the United States of America or to a "US Person" may constitute a violation of US law and require the prior written consent of the CEO of the Fund's management company. Persons wishing to purchase or subscribe to units shall be required to certify in writing that they are not "US Persons".

All unitholders must immediately inform the Fund if they become a "US Person". Any unitholder that becomes a US Person shall no longer be authorised to purchase new units and may be requested to dispose of their units at any time for the benefit of persons who do not have "US Person" status.

The term "US Person" has the same meaning in the Prospectus as the definition given in SEC Regulation S (Part 230 - 17 CFR 230.903). This definition of a "US Person" is available at <http://www.sec.gov/about/laws/secrulesregs.htm>

In accordance with the provisions of the Foreign Account Tax Compliance Act ("FATCA"), applicable as of 1 July 2014, if the Fund directly or indirectly invests in US assets, the income from these investments may be subject to 30% withholding tax. To avoid the payment of this 30% withholding tax, France and the United States have concluded an intergovernmental agreement whereby non-US financial institutions ("foreign financial institutions") undertake to set up a procedure to identify direct or indirect investors with US taxpayer status and transmit certain information about these investors to the French tax authorities, which will communicate it to the US tax authorities ("Internal Revenue Service").

In its capacity as a foreign financial institution, the Fund undertakes to comply with FATCA and to take any measures required by the aforementioned intergovernmental agreement.

Except for these restrictions, the Fund is open to all investors, while bearing the following in mind.

- **CR-EUR and CRw-EUR units:** CR-EUR and CRw-EUR units are intended for all investors, including institutional investors (mutual benefit societies, pension funds, insurance companies), cash account managers of large caps, and particularly natural persons.
- **GC units:** GC units are reserved for (i) insurance companies approved by ODDO BHF Asset Management SAS, to represent unit-linked products subscribed as part of "advisory management" contracts in their range and for (ii) ODDO BHF SCA clients also having signed an advisory agreement with an ODDO BHF SCA financial investment advisory partner.
- **CN-EUR units:** CN units are available solely at the discretion of the Management Company and will not pay any distribution fees or rebates. Units reserved for (i) investors subscribing via an intermediary providing the service of investment advice on an independent basis pursuant to MiFID II, (ii) investors subscribing via a financial intermediary on the basis of a fee agreement concluded between the investor and the intermediary and mentioning that the intermediary is exclusively paid by the investor, (iii) companies providing the service of portfolio management pursuant to MiFID II, (iv) funds managed by ODDO BHF Group entities, and (v) ODDO BHF SCA when providing the service of investment advice on the basis of a written fee agreement concluded with its client.
- **CI-EUR units:** Units reserved for eligible counterparties and professional investors within the meaning of Directive 2014/65/EU (or "MiFID II").

### **Typical investor profile**

The typical investor profile is characterised by low risk aversion.

The amount that is appropriate to invest in this Fund depends on your personal wealth. To determine this amount, investors should consider their personal assets, their current financial needs and those in five years as well as their willingness to accept risks or their preference for a more prudent investment. It is also highly recommended that investors sufficiently diversify their investments so as not to be exposed solely to the risks of this Fund.

Recommended investment horizon: 5 years.

### **Tax regime**

As of 1 July 2014, the Fund shall be governed by the provisions of Appendix II, point II. B. of the Agreement (IGA) signed on 14 November 2013 between the government of the French Republic and the government of the United States of America so as to improve compliance with tax obligations at an international level and implement the act governing compliance with these obligations for foreign accounts (FATCA).

This prospectus does not purport to set out the tax implications for investors of subscribing, redeeming, holding or selling the Fund's units. These implications will vary, depending on the laws and practices that apply in the country of residence, domicile or incorporation of the unitholders and on their personal situations.

Abroad, in the countries where the Fund invests, capital gains on the sale of securities and income from foreign sources received by the Fund may be subject to tax, generally in the form of withholding tax. The amount of withholding tax due may be reduced or waived when the governments in question have signed tax treaties.

Depending on your tax status, your country of residence or the jurisdiction from which you invest in the Fund, any capital gains and income resulting from the holding of units of the Fund may be subject to taxation. We advise you to consult a tax advisor in relation to the potential consequences of purchasing, holding, selling or redeeming units of the Fund according to the laws of your country of tax residence, ordinary residence or domicile.

The Management Company shall accept no responsibility whatsoever for the tax consequences that may arise for investors following a decision to purchase, hold, sell or redeem units of the Fund.

Redemption of unit followed by a subscription: as the Fund is made up of several unit classes, a conversion from one class of units by means of a redemption followed by a subscription of another class of units constitutes, for tax purposes, a sale in return for payment of a consideration likely to generate a taxable gain.

*For further details, the full prospectus is available on request from the management company.*

- The net asset value is available at the premises of the management company.
- The Fund's full prospectus and latest annual and semi-annual reports will be sent to unitholders within one week upon written request to ODDO BHF ASSET MANAGEMENT SAS – 12, boulevard de la Madeleine – 75009 Paris.  
Tel.: 01 44 51 80 28. Email: [information\\_oam@oddo-bhf.com](mailto:information_oam@oddo-bhf.com)
- Date of approval by the AMF: 29 October 1993
- Fund inception date: 19 November 1993

# Activity report

## Macroeconomic climate and equity market performance in 2022–23

The MSCI China A delivered a performance of -23.6% over the last year in EUR.

The equivalent performance in Q3 2022 was -12.8%. After catching up with the backlog of demand in June, the economy slowed in the third quarter, reflecting the downward trend in endogenous GDP growth. The ongoing pandemic and sluggishness of real estate remain the two biggest hurdles to China's economic recovery. Despite this, China's manufacturing PMI has improved a little, moving from 49.0 in July to 50.1 in September. Such a trend is to be expected at this time of year. However, the country's non-manufacturing PMI dipped over the quarter, from 53.8 in July to 50.6 in September as COVID-19 restrictions continued to weigh on services.

Various policy measures have been introduced and the real estate industry benefited from easing over the quarter. On 19 August, the Ministry of Housing and Urban-Rural Development, Ministry of Finance and People's Bank of China took steps to support the construction and delivery of residential properties that had been sold but not yet signed off due to complications, arranging for special loans from institutional banks. On 22 August, the PBoC lowered its 1- and 5-year preferential lending rates by 5 and 15 basis points respectively, boosting the real estate sector and facilitating medium- and long-term finance. On 24 August, the Standing Committee indicated that policies such as permission to make use of loans and other policies locally as part of the "one city, one policy" programme should logically shore up demand for static homes and renovations. On 29 September, the PBoC and China Banking and Insurance Regulatory Commission published an opinion aimed at gradually adjusting the various mortgage lending policies. By the end of 2022, eligible councils would be able to decide whether to maintain, lower or abolish local mortgage interest rate floors for the acquisition of a first home. On 30 September, the PBoC announced a 15 bp cut in the interest rate on loans from the provident fund to first-time buyers from 1 October. A series of measures have also been taken to boost spending on household appliances. Furthermore, the tax exemption for new energy vehicles was extended until the end of 2023.

The MSCI China A delivered a performance of -4.3% over the fourth quarter of 2022. The prospect of China's borders reopening saw the country's equities outperform in Q4 2022. However, Chinese industrial activity contracted over the quarter due to a rise in Covid-19 cases after Beijing suddenly lifted the restrictions aimed at tackling the pandemic in December. China's official manufacturing PMI dropped from 49.2 in October to 47.0 in December, while the non-manufacturing equivalent fell from 48.7 to 41.6 over the same period, both levels now at their lowest since January 2009 (barring February 2020).

At a political level, the success of the 20th National Congress of the Chinese Communist Party in October shed light on the medium- and long-term direction. The emphasis was placed on quality development while national security was made the cornerstone of national regeneration, meaning that the coordination of security and development would become the key ideology behind the country's future economic and social boom. Various policy measures were introduced and the real estate industry benefited from easing over the quarter. On 23 November, the PBoC and CBIRC published an opinion setting out 16 measures, and made it clear that they would increase financial support for the real estate market. On 25 November, the PBoC also announced a 25bp cut in the reserve requirement ratio. On 28 November, the China Securities Regulatory Commission decided to adjust and optimise support for equity financing of property companies, i.e. the "third arrow" of its policy. Through the second and third arrows, various financial support measures have been introduced, of growing intensity and importance. The Central Economic Work Conference was held on 16 December. A proposal was made for economic work in 2023 to focus initially on improving social/psychological expectations and boosting development confidence. The other proposals concerned support for home improvements, new energy vehicles, care for the elderly, and other consumer sectors as part of efforts to raise domestic demand. As regards pandemic control and prevention, the National Health and Medicine Commission announced that it would be switching the new coronavirus from "class B and A" to "class B and B" on 8 January 2023. Overall, monetary and fiscal policy barely changed in December.

The MSCI China A delivered a performance of 2.8% over the first quarter of 2023 in EUR. China's surprise abandonment of its zero-Covid policy at the end of 2022 saw the economy bounce back strongly in 2023. China's economic activity also picked up during the quarter even as global demand and real estate suffered, with the official manufacturing PMI rising from 50.1 in January to 51.9 in March. Chinese GDP grew by 4.5% in Q1, exceeding the market's expectations. At a structural level, however, the upturn in services and unforeseen rebound in exports were the main growth drivers during the first quarter of 2023.

The two-session annual meeting in March set the target for annual GDP growth at 5%, below the market's expectations. Meanwhile, the two sessions led to several institutional reform plans: 1) the transformation of the CBIRC into the National Financial Regulatory Administration, and the transfer of micro-supervision away from the central bank and CSRC, meaning that financial oversight should increase; 2) the creation of a Central Science and Technology Commission, which will concentrate on the development of scientific research within the national system; and 3) the creation of a National Data Bureau.

At a political level, the central bank published its Q4 2022 report on the implementation of monetary policy in China. Confidence in a national economic recovery has improved, while inflation fears have eased. The main objective remains that of stable growth. With the application of previous growth-friendly measures and the post-Covid bounce, further monetary easing has become somewhat less urgent. During the period under review, neither the medium-term lending facility nor preferential lending rate were adjusted, which also reflects the stability of monetary policy. Moreover, on 17 March the central bank announced its intention to cut the reserve requirement ratio by 25 basis points given the risk of turbulence in the overseas banking industry. The reduction came sooner than the market was expecting, but its real impact on the economy may be slight. As regards the reform of public enterprises, the State-owned Assets Supervision and Administration Commission of the State Council added some new indicators such as ROE and operating cash flow ratio to measure its goal of "one profit and five rates", and paid closer attention to improving operational quality.

The MSCI China A delivered a performance of -11.0% over the second quarter of 2023 in EUR. China's official manufacturing PMI dipped from 49.2 in April to 49.0 in June, staying in contraction territory for the third consecutive month. The PMI's sub-indices show no visible improvement in demand and suggest further destocking in unpromising conditions. China's gloomy macroeconomic data could have been a catalyst for major stimulus, but the market was disappointed by the political measures taken until the end of June.

At a political level, the situation barely changed over the month. The PBoC unexpectedly lowered its interest rates by 10 bps in June. The 5-year preferential lending rate, which is directly linked to real estate, was also cut by 10 bps, falling short of market expectations. Since June, the market has been hoping for more growth-friendly policies to combat the economic slowdown. The Politburo's half-yearly meeting in July, which sets the tone for economic policies over the second half of the year, became the focus of attention. It seems unlikely that policy will be reversed suddenly given that the target of 5% GDP growth over the full year is still achievable as last year's starting point was fairly low. Any change in policy will depend on how systemic risk pans out.

Examining the economic trend since the beginning of this year more closely, it transpires - unsurprisingly - that the service industry was one of the main drivers of the post-pandemic recovery in the first quarter. However, the lack of real estate stimulus and insufficient rebound in demand prolonged the destocking cycle, especially at the start of Q2. The delayed arrival of the second part of the recovery was mainly down to weak demand and low confidence.

## Performance

| Units                                    | Annual performance | Benchmark index |
|--|--------------------|-----------------|
| ODDO BHF China Domestic Leaders CI-EUR*  | -                  | -23.6%          |
| ODDO BHF China Domestic Leaders CN-EUR   | -24.20%            |                 |
| ODDO BHF China Domestic Leaders CR-EUR   | -24.50%            |                 |
| ODDO BHF China Domestic Leaders CRw-EUR* | -                  |                 |
| ODDO BHF China Domestic Leaders GC       | -24.05%            |                 |

\* CI-EUR and CRw-EUR units are not shown in the performance table as they do not have a track record of at least one year (CI-EUR units: created on 25/08/2022 and CRW-EUR units: redeemed on 04/07/2022 with new units issued on 25/04/2023). Past performance is not an indication of future results. Performance may vary over time.



### Main contributors

The three stocks that contributed the most to relative performance were overweight positions on PetroChina (H shares), China Resources Sanjiu Medical & Pharmaceutical and BeiGene, which added 104, 74 and 70 basis points respectively.

From a sector perspective, consumer staples increased relative performance the most. A good selection of stocks and underweighting of consumer staples added 163bps overall.

### Main drags on performance

The three drags on relative performance were overweight positions on LONGi Green Energy Technology, Topchoice Medical Corporation and WuXi Biologics, which cost 68, 56 and 53 basis points respectively.

From a sector perspective, consumer discretionary weighed heaviest on relative performance. A bad selection and overweighting of consumer discretionary stocks cost 228bps overall.

### Transactions

#### Movements with the fund

During the period under review, the Fund opened positions on ZTE Corp, Kweichow Moutai, Huadong Medicine, Beijing Kingsoft Office Software, JA Solar Technology, China Railway Group, Chaozhou Three-Circle Group, Wuhu Sanqi Interactive Entertainment, G-Bits Network Technology, Weichai Power, Innovent Biologics, JCET Group, Ingenic Semiconductor, Alibaba Group, Hisense Visual Technology, NAURA Technology Group, Trip.com Group, DaShenLin Pharmaceutical Group, Zhejiang Sanhua Intelligent Controls, iFlytek, Zhuzhou Qianjin Pharmaceutical, Kunshan Dongwei Technology, WuXi Biologics, Anhui Heli, Ningbo Haitian Precision Machinery and Changchun BCHT Biotechnology.

It closed positions on Tsingtao Brewery, PetroChina (H shares), Shenzhen Mindray Biomedical Electronics, Shanghai Baosight Software, LONGi Green Energy Technology, BeiGene, WuXi AppTec, Postal Savings Bank of China, Apelo Pharmaceutical, Ganfeng Lithium, Bank of Hangzhou, Jiangsu Zhongtian Technology, China Tourism Group Duty Free, ENN Natural Gas, IMEIK Technology Development, EVE Energy, Shanghai Putailai New Energy Technology, Li Auto, Shanghai M&G Stationery, Shanghai Wanye Enterprises, Inner Mongolia Yili Industrial Group, Wuxi Lead Intelligent Equipment and XPeng.

#### The main purchases/sales during the last financial year:

| Security                     | Purchase     | Disposal     | Currency |
|------------------------------|--------------|--------------|----------|
| KWEICHOW MOUTAI CO LTD-A     | 1,687,089.55 |              | EUROS    |
| WUHU SHUNRONG SANQI INTERA-A | 1,596,114.38 | 787,711.54   | EUROS    |
| ZTE CORP-A                   | 1,579,517.02 |              | EUROS    |
| PING AN INSURANCE GROUP CO-A | 1,488,648.53 |              | EUROS    |
| LONGI GREEN ENERGY TECHNOL-A | 475,796.37   | 1,404,634.30 | EUROS    |
| TSINGTAO BREWERY CO LTD-H    | 1,287,133.87 | 846,503.58   | EUROS    |
| TSINGTAO BREWERY CO LTD-A    |              | 1,265,610.69 | EUROS    |
| HUADONG MEDICINE CO LTD-A    | 1,263,862.47 |              | EUROS    |
| CHAOZHOU THREE-CIRCLE GROU-A | 1,193,014.57 |              | EUROS    |
| CHINA RAILWAY GROUP LTD-A    | 1,187,830.05 |              | EUROS    |

### Outlook

As the inventory cycle continues, the manufacturing sector should restock in the second half of 2023, which would increase companies' profits. We think the market's general decline is limited and that we should focus on sectors for which industry trends and policies are moving in the right direction.

In the longer term, new Chinese regulations will lead to a more balanced economy in terms of growth drivers and resource allocation, which should reduce income inequality in China, a key factor in overall consumer spending growth. We are seeking investment opportunities with strong upside potential during a period of structural change, mainly in 1) cutting-edge manufacturing industries that have certain technical barriers, and should produce domestic alternatives that will bring about anticyclical growth; and 2) the beneficiaries of China's current structural change, especially in clean energy, the consumer sector, healthcare and technology. We will also be paying more attention to strategic segments having a competitive core business that helps maintain the security of the industrial chain and individuals, as well as biosecurity. We think these opportunities will be concentrated on key segments including high-tech manufacturing, new energy, electrical appliances, energy storage, integrated circuits and information security.



**Report on remuneration in application of the UCITS V Directive/**

**1. Quantitative information**

|   | Fixed compensation | Variable remuneration (*) | Number of beneficiaries (**) |
|---|--------------------|---------------------------|------------------------------|
| Total amount of remuneration paid from January to December 2022 | 10,732,626         | 5,384,590                 | 171                          |

(\*) Variable remuneration awarded for the year 2022

(\*\*) Beneficiaries shall be understood as all OBAM employees having received remuneration in 2022 (Permanent contract/Temporary contract/Apprenticeship/Internship/Foreign offices)

|   | Senior managers | Number of beneficiaries | Members of staff with the ability to affect the risk profile of the Fund | Number of beneficiaries |
|---|-----------------|-------------------------|--|-------------------------|
| Aggregate amount of remuneration paid for the 2022 financial year (fixed and variable*) | 2,583,687       | 6                       | 7,646,965  | 44                      |

(\*) Variable remuneration in respect of 2022 but paid in 2023 and subsequent years

**2. Qualitative information**

**2.1. Fixed remuneration**

Fixed remuneration is determined on a discretionary basis in line with the market. This allows us to meet our targets for the recruitment of qualified and operational staff.

**2.2. Variable remuneration**

Pursuant to the AIFM 2011/61 and UCITS V 2014/91 directives, ODDO BHF Asset Management SAS (“OBAM SAS”) has established a remuneration policy intended to identify and describe the methods for implementing the variable remuneration policy, covering in particular the identification of the persons concerned, the establishment of governance, the remuneration committee and the payment terms for variable remuneration.

Variable remuneration paid within the Management Company is determined on a largely discretionary basis. As such, once fairly accurate estimates of the results for the year are available (mid-November), a budget for variable remuneration is determined and the various managers – in association with the group HRD – are invited to propose an individual budget breakdown.

This process takes place after the appraisal meetings, in which managers can discuss the quality of each employee’s professional performance with them for the year under way (in relation to previously established targets) and set targets for the next year. This appraisal has a highly objective component that addresses whether responsibilities have been met (quantitative targets, sales figures or how the management places in a specific ranking, performance fees generated by the fund managed), as well as a qualitative component (the employee’s attitude during the year).

It should be noted that, as part of their variable remuneration, some managers may receive a portion of the performance fees received by OBAM SAS. However, the amount to be allocated to each manager is determined in line with the abovementioned process and there are no individualised contractual packages that regulate the distribution and payment of these performance fees.

All OBAM SAS employees fall within the scope of application of the remuneration policy set out below, including employees who do not work in France.

**3. Specific provisions for risk takers and deferred variable remuneration**

**3.1. Risk takers**

Each year, OBAM SAS shall identify those persons who may be qualified as risk takers in accordance with the regulations in force. The list of employees thus identified as risk takers shall then be submitted to the Remuneration Committee and passed on to the relevant management body.

**3.2. Deferred variable remuneration**

OBAM SAS has set EUR 100,000 as the proportionality threshold triggering payment of a deferred variable remuneration amount.

As such, employees whose variable remuneration falls below this EUR 100,000 threshold

will receive their variable remuneration immediately, regardless of whether or not they are risk takers. In contrast, an employee classed as a risk taker whose variable remuneration is more than EUR 100,000 must receive deferred payment of part of this variable remuneration in accordance with the terms set out below. To ensure consistency throughout OBAM SAS, a decision has been made to apply the same variable remuneration payment terms to all company employees, whether or not they are risk takers. An employee who is not a risk taker but whose variable remuneration exceeds EUR 100,000 will therefore receive deferred payment of part of this variable remuneration in accordance with the provisions set out below.

Deferred remuneration shall consist of 40% of the entire variable remuneration amount, from the first euro. All of this deferred portion will be subject to indexation as described below.

As regards the indexation of deferred remuneration, in accordance with the commitments made by OBAM SAS, the provisions relating to the deferred part of variable remuneration will be calculated using a tool introduced by OBAM SAS. This tool will consist of a basket of funds that are representative of each of OBAM's asset management strategies.

This indexation will not be capped, nor will a floor be applied. As such, provisions for variable remuneration will fluctuate in line with the outperformance or underperformance of the funds representing the OBAM SAS range against their benchmark, where applicable. Where no there is no benchmark, absolute return is used.

#### **4. Changes to the remuneration policy made during the last financial year**

The Management Company's governing body met during 2022 to review the general principles of the remuneration policy with members of the Compliance team and in particular the calculation methods for indexed variable remuneration (composition of indexation basket).

There were no major changes made to the remuneration policy last year. It can be consulted on the management company's website (in the Regulatory Information section).

# Statutory Auditor's Report

ODDO BHF CHINA DOMESTIC LEADERS  
Statutory auditor's report on the annual financial statements  
Financial year ended 30 June 2023

## Statutory Auditor's Report on the Annual Financial Statements for Financial Year ended 30 June 2023

Dear unitholders of the FCP,

### Opinion

Following our appointment by the management company, we have audited the annual financial statements of the ODDO BHF CHINA DOMESTIC LEADERS FCP for the financial year ended 30 June 2023, which are appended to this report.

In our opinion, the annual financial statements, in accordance with French accounting rules and principles, give a true and fair view of the financial position and assets and liabilities of the FCP and of the results of its operations at the end of the financial year.

### Basis for the opinion

#### Audit framework

We have conducted our audit in accordance with professional standards applicable in France. We consider that the evidence gathered is pertinent and sufficient to serve as a basis for our opinion.

Our responsibilities in light of these standards are described in this report in the section entitled Responsibilities of the statutory auditor in relation to auditing the annual financial statements.

#### Independence

We conducted our audit assignment in accordance with the rules of independence set out in the French Commercial Code and the statutory auditors' code of ethics, for the period from 1 July 2022 to the date on which our report was issued.

### Justification of assessments

In accordance with the provisions of articles L.823-9 and R.823-7 of the French Commercial Code regarding the justification of our evaluations, we hereby inform you that our most important evaluations, in our professional opinion, were focused on the appropriateness of the accounting principles applied, on whether material estimates used were reasonable, and on whether all accounts were presented as per the accounting standards applicable to undertakings for collective investment with variable capital, particularly as regards financial instruments held in the portfolio.

The assessments were made in the context of the audit of the annual financial statements, taken as a whole, and the formation of the opinion expressed herein. We have not expressed an opinion regarding individual items in the annual financial statements.



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## Specific verifications

We have also carried out the specific verifications required by law in accordance with the professional auditing standards applicable in France.

We have no comment as to the fair presentation and conformity with the annual financial statements of the information given in the management company's management report.

## Responsibilities of the management company in relation to the annual financial statements

The management company is responsible for drawing up annual financial statements giving a fair view in accordance with French accounting rules and standards, as well as implementing the internal control system it deems necessary for the drafting of annual financial statements free of material misstatements, whether as a result of fraud or error.

In preparing the financial statements, the Management Company is responsible for assessing the FCP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the FCP or to cease operations.

The annual financial statements were prepared by the management company.

## Responsibilities of the statutory auditor in relation to auditing the annual financial statements

It is our responsibility to draft a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements, viewed in their entirety, are free of material misstatement. Reasonable assurance constitutes a high level of assurance, although not a guarantee, that an audit carried out in accordance with the standards of professional conduct allows for the systematic detection of material misstatements. Such misstatements may result from fraud or error and are considered to be material when it is reasonable to expect that they may, taken individually or collectively, influence economic decisions that readers of the financial statements may make based on them.

As stipulated in article L.823-10-1 of the French Commercial Code, our certification of the financial statements does not constitute a guarantee of the viability or quality of the management of the FCP.

As part of an audit carried out in accordance with the standards of professional conduct applicable in France, the statutory auditor shall exercise its professional judgement throughout this audit. Furthermore:

- it identifies and evaluates the risk that the annual financial statements may include material misstatement, whether resulting from fraud or error, defines and implements auditing procedures in response to these risks, and gathers the items it deems sufficient and appropriate as a basis for its opinion. The risk of material misstatement not being detected is considerably higher when it is the result of fraud rather than error, since fraud may involve collusion, falsification, voluntary omissions, false declarations or the circumvention of the internal control system;
- it assesses the internal control system that is relevant for the audit in order to define audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the internal control system;
- It evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company in the financial statements;



*ODDO BHF CHINA DOMESTIC LEADERS*  
*Statutory auditor's report on the annual financial statements*  
*Financial year ended 30 June 2023*

- it evaluates the appropriateness of the management company's application of the going concern accounting principle and, based on the information gathered, the existence or absence of significant uncertainty linked to events or circumstances likely to cast doubt on the FCP's ability to continue its operations. This evaluation is based on the information gathered prior to the date of its report; however, it should be noted that subsequent circumstances or events may cast doubt on the continuity of its operations. If it concludes that significant uncertainty exists, it draws the attention of readers of its report to the information provided in the annual financial statements giving rise to this uncertainty or, if this information has not been provided or is not relevant, it certifies the annual financial statements with reservations or refuses to certify them;
- it assesses the presentation of all of the annual financial statements and evaluates whether or not the annual financial statements depict the underlying operations and events fairly.

Paris, 9 October 2023

Statutory Auditor  
**CONSEILS ASSOCIÉS S.A.**



**Conseils Associés S.A.**  
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# Annual financial statements



# BALANCE SHEET – Assets

| Currency  | EUR                  | EUR                  |
|---|----------------------|----------------------|
|   | -                    | -                    |
|   | -                    | -                    |
| • <b>EQUITIES AND SIMILAR SECURITIES</b>  | <b>39,397,404.33</b> | <b>41,172,842.03</b> |
| Traded on a regulated or similar market   | 39,397,404.33        | 41,172,842.03        |
| Not traded on a regulated or similar market   | -                    | -                    |
| • <b>BONDS AND SIMILAR SECURITIES</b>   |                      |                      |
| Traded on a regulated or similar market   | -                    | -                    |
| Not traded on a regulated or similar market   | -                    | -                    |
| • <b>DEBT SECURITIES</b>  |                      |                      |
| Traded on a regulated or similar market   |                      |                      |
| Transferable debt securities  | -                    | -                    |
| Other debt securities   | -                    | -                    |
| Not traded on a regulated or similar market   | -                    | -                    |
| • <b>COLLECTIVE INVESTMENT SCHEMES</b>  |                      |                      |
| Standard UCITS and AIFs aimed at non-professional investors and equivalent funds of other countries                               | -                    | -                    |
| Other funds aimed at non-professional investors and equivalent funds of other European Union Member States                        | -                    | -                    |
| Standard professional investment funds and equivalent funds of other European Union Member States and listed securitisation funds | -                    | -                    |
| Other professional investment funds and equivalent funds of other European Union Member States and unlisted securitisation funds  | -                    | -                    |
| Other non-European undertakings   | -                    | -                    |
| • <b>TEMPORARY TRANSACTIONS ON SECURITIES</b>   |                      |                      |
| Receivables on financial securities received under a repurchase agreement ( <i>pension</i> )                                      | -                    | -                    |
| Receivables on financial securities lent  | -                    | -                    |
| Financial securities borrowed   | -                    | -                    |
| Financial securities transferred under a repurchase agreement ( <i>pension</i> )  | -                    | -                    |
| Other temporary transactions  | -                    | -                    |
| • <b>FINANCIAL CONTRACTS</b>  |                      |                      |
| Transactions on a regulated or similar market   | -                    | -                    |
| Other transactions  | -                    | -                    |
| • <b>OTHER FINANCIAL INSTRUMENTS</b>  |                      |                      |
|   | -                    | -                    |
|   | <b>96,616.54</b>     | <b>768,815.84</b>    |
| Currency forward exchange contracts   | -                    | -                    |
| Other   | 96,616.54            | 768,815.84           |
|   | <b>1,745,659.66</b>  | <b>968,094.17</b>    |
| Cash  | 1,745,659.66         | 968,094.17           |
|   | -                    | -                    |
| <b>Total assets</b>   | <b>41,239,680.53</b> | <b>42,909,752.04</b> |

# BALANCE SHEET – Liabilities

| Currency   | EUR                  | EUR                  |
|--|----------------------|----------------------|
| • Share capital  | 46,865,813.00        | 39,809,270.19        |
| Previous undistributed net capital gains and losses  | -                    | -                    |
| Retained earnings  | -                    | -                    |
| Net capital gains and losses for the financial year  | -5,757,459.92        | 1,887,755.49         |
| Net profit for the year  | 82,534.42            | 272,185.83           |
|  | <b>41,190,887.50</b> | <b>41,969,211.51</b> |
|  | -                    | -                    |
| • SALES OF FINANCIAL INSTRUMENTS   | -                    | -                    |
| • TEMPORARY TRANSACTIONS ON FINANCIAL SECURITIES   |                      |                      |
| Payables on financial securities transferred under a repurchase agreement ( <i>pension</i> ) | -                    | -                    |
| Payables on financial securities borrowed  | -                    | -                    |
| Other temporary transactions   | -                    | -                    |
| • FINANCIAL CONTRACTS  |                      |                      |
| Transactions on a regulated or similar market  | -                    | -                    |
| Other transactions   | -                    | -                    |
|  | <b>48,788.98</b>     | <b>935,239.53</b>    |
| Currency forward exchange contracts  | -                    | -                    |
| Other  | 48,788.98            | 935,239.53           |
|  | <b>4.05</b>          | <b>5,301.00</b>      |
| Short-term bank loans  | 4.05                 | 5,301.00             |
| Borrowings   | -                    | -                    |
| <b>Total liabilities</b>   | <b>41,239,680.53</b> | <b>42,909,752.04</b> |

# OFF-balance sheet items

| Currency                                    | EUR | EUR |
|---|-----|-----|
| Commitments on regulated or similar markets |     |     |
| - Futures                                   | -   | -   |
| - Options                                   | -   | -   |
| - Credit derivatives                        | -   | -   |
| - Swaps                                     | -   | -   |
| - Contracts for Difference (CFD)            | -   | -   |
| OTC commitments                             |     |     |
| - Futures                                   | -   | -   |
| - Options                                   | -   | -   |
| - Credit derivatives                        | -   | -   |
| - Swaps                                     | -   | -   |
| - Contracts for Difference (CFD)            | -   | -   |
| Other commitments                           |     |     |
| - Futures                                   | -   | -   |
| - Options                                   | -   | -   |
| - Credit derivatives                        | -   | -   |
| - Swaps                                     | -   | -   |
| - Contracts for Difference (CFD)            | -   | -   |
| Commitments on regulated or similar markets |     |     |
| - Futures                                   | -   | -   |
| - Options                                   | -   | -   |
| - Credit derivatives                        | -   | -   |
| - Swaps                                     | -   | -   |
| - Contracts for Difference (CFD)            | -   | -   |
| OTC commitments                             |     |     |
| - Futures                                   | -   | -   |
| - Options                                   | -   | -   |
| - Credit derivatives                        | -   | -   |
| - Swaps                                     | -   | -   |
| - Contracts for Difference (CFD)            | -   | -   |
| Other commitments                           |     |     |
| - Futures                                   | -   | -   |
| - Options                                   | -   | -   |
| - Credit derivatives                        | -   | -   |
| - Swaps                                     | -   | -   |
| - Contracts for Difference (CFD)            | -   | -   |

# INCOME statement

| Currency  | EUR               | EUR               |
|---|-------------------|-------------------|
| • Income from deposits and financial accounts                       | 4,172.43          | 396.66            |
| • Income from equities and similar securities                       | 628,865.18        | 938,958.97        |
| • Income from bonds and similar securities                          | -                 | -                 |
| • Income from debt securities                                       | -                 | -                 |
| • Income from temporary purchases and sales of financial securities | -                 | -                 |
| • Income from financial contracts                                   | -                 | -                 |
| • Other financial income  | -                 | -                 |
|   | <b>633,037.61</b> | <b>939,355.63</b> |
| • Payables on temporary purchases and sales of financial securities | -                 | -                 |
| • Payables on financial contracts                                   | -                 | -                 |
| • Payables on financial debts                                       | -474.64           | -8,791.67         |
| • Other payables  | -                 | -                 |
|   | <b>-474.64</b>    | <b>-8,791.67</b>  |
|   | <b>632,562.97</b> | <b>930,563.96</b> |
| Other income (III)  | -                 | -                 |
| Management fees and depreciation allowance (IV)                     | -563,537.22       | -632,677.48       |
|   | <b>69,025.75</b>  | <b>297,886.48</b> |
| Income equalisation for the financial year (V)                      | 13,508.67         | -25,700.65        |
| Interim dividends paid from income for the financial year (VI)      | -                 | -                 |
| <b>Profit(loss) (I - II + III - IV +/- V - VI):</b>                 | <b>82,534.42</b>  | <b>272,185.83</b> |

# 1 accounting rules & methods

The annual financial statements are presented in accordance with the provisions of ANC Regulation 2014-01, as amended.

## Asset valuation rules

### **The calculation of the net asset value per unit is subject to the following valuation rules:**

Financial instruments and transferable securities traded on regulated markets are valued at their market price using the following principles:

- The valuation is based on the last official market price.

### **The market price used depends on the market on which the instrument is listed**

#### European markets

Last market price on the net asset value calculation day.

#### Asian markets

Last market price on the net asset value calculation day.

#### North and South American markets

Last market price on the net asset value calculation day.

The prices used are those known the following day at 9:00 (Paris time) and collected from financial information providers: Fininfo or Bloomberg. In the event that no price is available for a security, the last known price is used.

Debt securities and similar securities that are not traded in large volumes are valued by means of an actuarial method; the reference rate used is made up of:

- A risk-free rate obtained through linear interpolation of the OIS curve, updated daily;
- A credit spread obtained at the point of issue and kept constant throughout the lifecycle of the security.

However, transferable debt securities with a residual maturity of less than or equal to three months will be valued on the basis of the straight-line method.

- Financial contracts (futures, options or swap transactions concluded on over-the-counter markets) are valued at their market value or at a value estimated according to the terms and conditions determined by the Management Company. The method for valuing off-balance sheet commitments consists in valuing futures contracts at their market price and in converting options into the equivalent value of the underlying.
- Collateral: in order to limit counterparty risk as much as possible while also factoring in operational constraints, the management company applies a daily margin call system, per fund and per counterparty, with an activation threshold set at a maximum of EUR 100,000 based on an evaluation of the mark-to-market price.

The prices used for the valuation of futures or options are consistent with those of the underlying securities. They may vary depending on where they are listed:

#### European markets

Settlement price on the NAV calculation day, if different from the last price.

#### Asian markets

Last market price on the NAV calculation day, if different from the last price.

#### North and South American markets

Last market price on the NAV calculation day, if different from the last price.

In the event that no price is available for a future or option contract, the last known price is used.

- Other instruments: units or shares of funds are valued at their last known net asset value;
- Financial instruments whose prices have not been determined on the valuation day or whose prices have been adjusted are valued under the Management Company's responsibility at their foreseeable sale prices. These valuations and their justification are communicated to the statutory auditor at the time of the audit.

## Accounting methods

### Income accounting

The interest on bonds and debt securities is calculated on the basis of interest received.

### Transaction cost accounting

Transactions are recorded excluding fees.

## Valuation methods for off-balance sheet commitments

Off-balance sheet transactions are valued in terms of the value committed.

For futures, the value committed is equal to the price (in the currency of the Fund) multiplied by the number of contracts, multiplied by the nominal.

For options, the value committed is equal to the price of the underlying security (in the currency of the Fund), multiplied by the number of contracts, multiplied by the delta, multiplied by the nominal of the underlying.

For swaps, the value committed is equal to the amount of the nominal of the contract (in the currency of the Fund).

## Management and administration fees

| Fees charged to the Fund   | Basis                       | Rate   |
|--|-----------------------------|--|
| Financial and administrative management fees not payable to the Management Company (statutory auditor, custodian, distributors, lawyers) | Net assets                  | <b>CR-EUR units:</b> Max. 1.50% inclusive of tax   |
|  |                             | <b>GC units:</b> Max. 0.90% inclusive of tax   |
|  |                             | <b>CN-EUR units:</b> Max. 1.10% inclusive of tax   |
|  |                             | <b>CI-EUR units:</b> Max. 0.75% inclusive of tax   |
|  |                             | <b>CRw-EUR units:</b> Max. 1.80% inclusive of tax  |
| Transaction fees charged by third parties:<br>- Management Company: 100%   | Payable on each transaction | <b>Equities:</b> depending on the markets, with a maximum of 0.50% inclusive of tax and a minimum of EUR 7.50 exclusive of tax for French equities and EUR 50 exclusive of tax for foreign equities.                               |
| Performance fee (*)  | Net assets                  | For CR-EUR, CN-EUR, CI-EUR and GC units: 15% of the Fund's outperformance relative to the benchmark index, MSCI China A Index (EUR, Net Return), provided that the Fund's performance is positive.<br><br>For CRw-EUR units: none. |

\*The performance fees will be charged in favour of the Management Company as follows:

- The performance fee is based on a comparison between the performance of the fund and the benchmark index, and includes a method for clawing back past underperformance.



- The Fund's performance is determined on the basis of its book value after taking into account fixed management fees and before deduction of the performance fee.
  - Outperformance is calculated on the basis of the "indexed asset" method, which is used to simulate a fictitious asset experiencing the same subscription and redemption conditions as the Fund, while enjoying the same performance as the benchmark index. This indexed asset is then compared with the Fund's assets. The difference between the two is the Fund's outperformance relative to the benchmark index.
  - Whenever the NAV is calculated, provided that the Fund's performance exceeds that of the benchmark index, a performance fee provision is booked. In the event that the Fund underperforms its benchmark index between two net asset values, any previously accumulated provision shall be reduced accordingly. The amounts deducted from the provision cannot exceed the amount previously accumulated. The performance fee is calculated and provisioned separately for each Fund unit.
  - The benchmark index will be calculated in the unit currency, regardless of the currency in which the relevant unit is denominated, except in the case of units hedged against currency risk, for which the benchmark index will be calculated in the Fund's reference currency.
  - The performance fee is measured over a calculation period that corresponds to the Fund's financial year (the "Calculation Period"). Each Calculation Period starts on the last business day of the Fund's financial year, and ends on the last business day of the next financial year. For units launched during a Calculation Period, the first Calculation Period will last at least 12 months and end on the last business day of the next financial year. The total performance fee is payable to the Management Company annually after the Calculation Period has ended.
  - In the event of redemptions, if a performance fee provision has been booked, then the proportion of the provision attributable to these redemptions is crystallised and definitively allocated to the Management Company.
  - The horizon over which performance is measured is a rolling period of up to five years ("Performance Reference Period"). The clawback mechanism may be partially reset at the end of this period. This means that after five years of cumulative underperformance over the Performance Reference Period, underperformance may be partially reset on a rolling annual basis, wiping out the first year of underperformance during the Performance Reference Period concerned. In relation to the Performance Reference Period concerned, underperformance in the first year may be offset by outperformance in the following years of the Performance Reference Period.
  - Over a given Performance Reference Period, any past underperformance must be clawed back before performance fees become payable again.
  - Where a performance fee is crystallised at the end of a Calculation Period (except when due to redemptions), a new Performance Reference Period begins.
  - For CR-EUR, CN-EUR and GC units, no performance fee is payable if the absolute return of the unit class is negative. The absolute return is defined as the difference between the current net asset value and the last net asset value calculated at the end of the previous Calculation Period (Reference NAV).
  - Holders of CI-EUR units should note that, provided the Fund outperforms, performance fees may be paid to the Management Company even if the absolute return is negative.
- A detailed description of the method used to calculate the performance fee may be obtained from the Management Company.

#### **Accounting currency**

Euro.

**Indication of accounting changes brought to the specific attention of unitholders**

- Change made: None.
- Change to be made: None.

**Indication of other changes brought to the specific attention of unitholders** (*Not certified by the statutory auditor*)

- Change made: None.
- Change to be made: None.

**Indication and justification of changes to valuation methods and procedures**

None.

**Indication of the nature of errors corrected during the financial year**

None.

**Indication of rights and conditions attached to each unit class**

Allocation of net income:

Accumulation.

Allocation of net realised capital gains or losses:

Accumulation.

## 2 Change in net assets

| Currency  | EUR                  | EUR                  |
|---|----------------------|----------------------|
| <b>Net assets at the beginning of the financial year</b>                        | <b>41,969,211.51</b> | <b>50,129,580.51</b> |
| Subscriptions (including subscription fees payable to the Fund)                 | 20,196,810.59        | 13,102,679.75        |
| Redemptions (after deduction of the redemption fees payable to the Fund)        | -8,937,885.75        | -17,516,209.96       |
| Realised gains on deposits and financial instruments                            | 1,967,877.63         | 8,006,731.15         |
| Realised losses on deposits and financial instruments                           | -5,792,320.29        | -5,439,989.52        |
| Realised gains on financial contracts   | -                    | 27,046.81            |
| Realised losses on financial contracts  | -                    | -2,387,940.29        |
| Transaction costs   | -128,996.45          | -205,627.78          |
| Foreign exchange differences  | -5,381,774.14        | 1,834,937.07         |
| Changes in the valuation differential of deposits and financial instruments:    | -2,771,061.35        | -5,887,893.50        |
| - Valuation differential in year N  | -2,775,124.81        | -4,063.46            |
| - Valuation differential in year N-1  | -4,063.46            | 5,883,830.04         |
| Changes in the valuation differential of financial contracts:                   | -                    | 8,010.79             |
| - Valuation differential in year N  | -                    | -                    |
| - Valuation differential in year N-1  | -                    | -8,010.79            |
| Distribution in previous year from net capital gains and losses                 | -                    | -                    |
| Dividends paid in the previous financial year from income                       | -                    | -                    |
| Net profit/loss for the financial year prior to the income equalisation account | 69,025.75            | 297,886.48           |
| Interim dividend(s) paid for the financial year on net capital gains and losses | -                    | -                    |
| Interim dividend(s) paid during the financial year from profit                  | -                    | -                    |
| Other items   | -                    | -                    |
| <b>Net assets at the end of the financial year</b>                              | <b>41,190,887.50</b> | <b>41,969,211.51</b> |

# 3 additional information

## 3.1. Financial instruments: breakdown by legal or economic nature of the instrument

### 3.1.1. Breakdown of the “Bonds and similar securities” item by type of instrument

|                            | Traded on a regulated or similar market | Not traded on a regulated or similar market |
|----------------------------|---|---|
| Indexed bonds              | -                                       | -   |
| Convertible bonds          | -                                       | -   |
| Fixed rate bonds           | -                                       | -   |
| Floating-rate bonds        | -                                       | -   |
| Zero-coupon bonds          | -                                       | -   |
| Participation certificates | -                                       | -   |
| Other instruments          | -                                       | -   |

### 3.1.2 Breakdown of the “Debt securities” item by legal nature or type of economic instrument

|   | Traded on a regulated or similar market | Not traded on a regulated or similar market |
|---|---|---|
| Treasury bills  | -                                       | -   |
| Short-term debt securities (NEU CP) issued by non-financial issuers | -                                       | -   |
| Short-term debt securities (NEU CP) issued by banks                 | -                                       | -   |
| Medium-term debt securities (NEU MTN)                               | -                                       | -   |
| Other instruments   | -                                       | -   |

### 3.1.3 Breakdown of the “Sales of financial instruments” item by type of instrument

|                   | Sales of securities received under a repurchase agreement | Sales of securities borrowed | Sales of securities acquired under repurchase options | Short sales |
|-------------------|---|------------------------------|---|-------------|
| Equities          | -   | -                            | -   | -           |
| Bonds             | -   | -                            | -   | -           |
| Debt securities   | -   | -                            | -   | -           |
| Other instruments | -   | -                            | -   | -           |

3.1.4 Breakdown of off-balance sheet items by type of market (fixed income, equities, etc.)

|   | Fixed income | Equities | Forex | Other |
|---|--------------|----------|-------|-------|
| <b>Hedging transactions</b>                 |              |          |       |       |
| Commitments on regulated or similar markets | -            | -        | -     | -     |
| OTC commitments                             | -            | -        | -     | -     |
| Other commitments                           | -            | -        | -     | -     |
| <b>Other transactions</b>                   |              |          |       |       |
| Commitments on regulated or similar markets | -            | -        | -     | -     |
| OTC commitments                             | -            | -        | -     | -     |
| Other commitments                           | -            | -        | -     | -     |

3.2. Breakdown by type of interest rates for assets, liabilities and off-balance sheet items

|  | Fixed rate | Variable rate | Adjustable rate | Other        |
|--|------------|---------------|-----------------|--------------|
| <b>Assets</b>                                  | -          | -             | -               | -            |
| Deposits                                       | -          | -             | -               | -            |
| Bonds and similar                              | -          | -             | -               | -            |
| Debt securities                                | -          | -             | -               | -            |
| Temporary transactions on financial securities | -          | -             | -               | -            |
| Financial accounts                             | -          | -             | -               | 1,745,659.66 |
| <b>Liabilities</b>                             | -          | -             | -               | -            |
| Temporary transactions on financial Securities | -          | -             | -               | -            |
| Financial accounts                             | -          | -             | -               | 4.05         |
| <b>Off-balance sheet</b>                       | -          | -             | -               | -            |
| Hedging transactions                           | -          | -             | -               | -            |
| Other transactions                             | -          | -             | -               | -            |

3.3. Breakdown by residual maturity of assets, liabilities and off-balance sheet items

|  | 0-3 months   | 3 months-1 year | 1-3 years | 3-5 years | >5 years |
|--|--------------|-----------------|-----------|-----------|----------|
| <b>Assets</b>                                  | -            | -               | -         | -         | -        |
| Deposits                                       | -            | -               | -         | -         | -        |
| Bonds and similar                              | -            | -               | -         | -         | -        |
| Debt securities                                | -            | -               | -         | -         | -        |
| Temporary transactions on financial securities | -            | -               | -         | -         | -        |
| Financial accounts                             | 1,745,659.66 | -               | -         | -         | -        |
| <b>Liabilities</b>                             | -            | -               | -         | -         | -        |
| Temporary transactions on financial Securities | -            | -               | -         | -         | -        |
| Financial accounts                             | 4.05         | -               | -         | -         | -        |
| <b>Off-balance sheet</b>                       | -            | -               | -         | -         | -        |
| Hedging transactions                           | -            | -               | -         | -         | -        |
| Other transactions                             | -            | -               | -         | -         | -        |

### 3.4. Breakdown by listing or valuation currency of assets, liabilities and off-balance sheet items

This breakdown is provided for the major listing or valuation currencies, with the exception of the accounting currency.

| By main currency                               | CNY           | HKD          | USD       | Other currency |
|--|---------------|--------------|-----------|----------------|
| <b>Assets</b>                                  |               |              |           |                |
| Deposits                                       | -             | -            | -         | -              |
| Equities and similar securities                | 35,218,455.35 | 4,178,948.98 | -         | -              |
| Bonds and similar securities                   | -             | -            | -         | -              |
| Debt securities                                | -             | -            | -         | -              |
| Funds  | -             | -            | -         | -              |
| Temporary transactions on financial securities | -             | -            | -         | -              |
| Receivables                                    | 48,951.64     | 20,009.12    | -         | -              |
| Financial accounts                             | 1,575,202.88  | 21,723.79    | 27,173.20 | -              |
| Other assets                                   | -             | -            | -         | -              |
| <b>Liabilities</b>                             |               |              |           |                |
| Sales of financial instrument                  | -             | -            | -         | -              |
| Temporary transactions on financial securities | -             | -            | -         | -              |
| Payables                                       | -             | -            | -         | -              |
| Financials accounts                            | -             | -            | -         | 4.05           |
| <b>Off-balance sheet</b>                       |               |              |           |                |
| Hedging transactions                           | -             | -            | -         | -              |
| Other transactions                             | -             | -            | -         | -              |

### 3.5. Receivables and payables: breakdown by type

Details of items under the "other receivables" and "other payables" headings, including in particular a breakdown of currency forwards by type (purchase/sale).

|  |                  |
|--|------------------|
| <b>Receivables</b>                                 | <b>96,616.54</b> |
| Currency forwards:                                 |                  |
| Currency forward purchases                         | -                |
| Total trading amount of currency forward sales     | -                |
| Other receivables:                                 |                  |
| Guarantee deposits (paid)                          | 48,951.64        |
| Subscriptions receivable                           | 27,655.78        |
| Coupons receivable                                 | 20,009.12        |
| -  | -                |
| -  | -                |
| Other transactions                                 | -                |
| <b>Payables</b>                                    | <b>48,788.98</b> |
| Currency forwards:                                 |                  |
| Currency forward sales                             | -                |
| Total trading amount of currency forward purchases | -                |
| Other payables:                                    |                  |
| Reserve for charges                                | 47,935.43        |
| REDEMPTIONS payable                                | 853.55           |
| -  | -                |
| -  | -                |
| -  | -                |
| Others transactions                                | -                |

### 3.6. Equity capital

| Unit class issued/redeemed<br>During the financial year: | Subscriptions   |              | Redemptions     |              |
|--|-----------------|--------------|-----------------|--------------|
|  | Number of units | Amount       | Number of units | Amount       |
| CR units / FR0007475843                                  | 47,724          | 8,792,057.58 | 33,573          | 6,054,179.15 |
| CN units / FR0013280187                                  | 29,048          | 2,655,160.24 | 9,525           | 845,467.36   |
| CI units / FR0013353026                                  | 4,249.034       | 3,832,541.06 | -               | -            |
| GC units / FR0011606359                                  | 36,809.815      | 4,916,051.71 | 16,214.12       | 2,017,922.08 |
| CRW units / FR0014005D10                                 | 10              | 1,000.00     | 202             | 20,317.16    |
|  | -               | -            | -               | -            |
| Subscription / redemption fee<br>by unit class:          |                 | Amount       |                 | Amount       |
| CR UNITS/FR0007475843                                    |                 | -            |                 | -            |
| CN UNITS/FR0013280187                                    |                 | -            |                 | -            |
| CI UNITS/FR0013353026                                    |                 | -            |                 | -            |
| GC UNITS/FR0011606359                                    |                 | -            |                 | -            |
| CRW UNITS/FR0014005D10                                   |                 | -            |                 | -            |
|  |                 | -            |                 | -            |
| Trailer fees by unit class:                              |                 | Amount       |                 | Amount       |
| CR UNITS/FR0007475843                                    |                 | -            |                 | -            |
| CN UNITS/FR0013280187                                    |                 | -            |                 | -            |
| CI UNITS/FR0013353026                                    |                 | -            |                 | -            |
| GC UNITS/FR0011606359                                    |                 | -            |                 | -            |
| CRW UNITS/FR0014005D10                                   |                 | -            |                 | -            |
|  |                 | -            |                 | -            |
| Fees payable to the Fund<br>by unit class:               |                 | Amount       |                 | Amount       |
| CR UNITS/FR0007475843                                    |                 | -            |                 | -            |
| CN UNITS/FR0013280187                                    |                 | -            |                 | -            |
| CI UNITS/FR0013353026                                    |                 | -            |                 | -            |
| GC UNITS/FR0011606359                                    |                 | -            |                 | -            |
| CRW UNITS/FR0014005D10                                   |                 | -            |                 | -            |
|  |                 | -            |                 | -            |



### 3.7. Management fees

(Fixed) management and administration fees as a percentage of average net assets %

Unit class:

|                        |      |
|------------------------|------|
| CR UNITS/FR0007475843  | 1.50 |
| CN UNITS/FR0013280187  | 1.10 |
| CI UNITS/FR0013353026  | 0.75 |
| GC UNITS/FR0011606359  | 0.90 |
| CRW UNITS/FR0014005D10 | 1.80 |

-

(Variable) performance fee: fee amount for the year Amount

Unit class:

|                        |          |
|------------------------|----------|
| CR UNITS/FR0007475843  | -        |
| CN UNITS/FR0013280187  | 1.71     |
| CI UNITS/FR0013353026  | 4,261.21 |
| GC UNITS/FR0011606359  | 4.60     |
| CRW UNITS/FR0014005D10 | -        |

-

Management fees paid to third parties:

- Amount of trailer fees paid to the Fund

-

- Breakdown by “target” fund:

- Fund 1

-

- Fund 2

-

- Fund 3

-

- Fund 4

-

### 3.8. Commitments received and given

- 3.8.1. Description of guarantees received by the Fund including capital guarantees ..... **none**  
 3.8.2. Description of other commitments received and/or given ..... **none**

### 3.9. Other information

3.9.1. Current value of financial instruments subject to a temporary purchase transaction:

- Financial instruments received under repurchase agreements -
- Other temporary transactions -

3.9.2. Current value of financial instruments serving as guarantee deposits: Financial instruments received as a guarantee and not recorded on the balance sheet:

- equities -
- bonds -
- debt securities -
- other financial instruments -

Financial instruments used as a guarantee and kept as original entry:

- equities -
- bonds -
- debt securities -
- other financial instruments -

3.9.3. Financial instruments held in the portfolio issued by entities associated with the management company (funds) or with the financial managers (SICAVs), and funds managed by these entities:

- funds -
- other financial instruments -

**3.10. Income allocation table** *(In the accounting currency of the Fund)*

| Date | Unit class | Total amount | Amount per unit | Tax credit total | Tax credit per unit |
|------|------------|--------------|-----------------|------------------|---------------------|
| -    | -          | -            | -               | -                | -                   |
| -    | -          | -            | -               | -                | -                   |
| -    | -          | -            | -               | -                | -                   |
| -    | -          | -            | -               | -                | -                   |

| Allocation of income | EUR              | EUR               |
|----------------------|------------------|-------------------|
| Retained earnings    | -                | -                 |
| Profit/loss          | 82,534.42        | 272,185.83        |
|                      | <b>82,534.42</b> | <b>272,185.83</b> |

| CR UNITS/FR0007475843                    |                 |                   |
|--|-----------------|-------------------|
| Currency                                 | EUR             | EUR               |
| Distribution                             | -               | -                 |
| Retained earnings for the financial year | -               | -                 |
| Accumulation                             | 5,459.92        | 146,024.90        |
|  | <b>5,459.92</b> | <b>146,024.90</b> |
| Number of units                          | -               | -                 |
| Dividend per unit                        | -               | -                 |
|  | -               | -                 |

| CN UNITS/FR0013280187                    |                  |                  |
|--|------------------|------------------|
| Currency                                 | EUR              | EUR              |
| Distribution                             | -                | -                |
| Retained earnings for the financial year | -                | -                |
| Accumulation                             | 21,144.52        | 39,377.43        |
|  | <b>21,144.52</b> | <b>39,377.43</b> |
| Number of units                          | -                | -                |
| Dividend per unit                        | -                | -                |
|  | -                | -                |

| CI UNITS/FR0013353026                    |                 |          |
|--|-----------------|----------|
| Currency                                 | EUR             | EUR      |
| Distribution                             | -               | -        |
| Retained earnings for the financial year | -               | -        |
| Accumulation                             | 1,973.98        | -        |
|  | <b>1,973.98</b> | <b>-</b> |
| Number of units                          | -               | -        |
| Dividend per unit                        | -               | -        |
|  | -               | -        |

| GC UNITS/FR0011606359                    |                  |                  |
|--|------------------|------------------|
| Currency                                 | EUR              | EUR              |
| Distribution                             | -                | -                |
| Retained earnings for the financial year | -                | -                |
| Accumulation                             | 53,952.26        | 86,763.81        |
|  | <b>53,952.26</b> | <b>86,763.81</b> |
| Number of units                          | -                | -                |
| Dividend per unit                        | -                | -                |
|  | -                | -                |

| CRW UNITS/FR0014005D10                   |             |              |
|--|-------------|--------------|
| Currency                                 | EUR         | EUR          |
| Distribution                             | -           | -            |
| Retained earnings for the financial year | -           | -            |
| Accumulation                             | 3.74        | 19.69        |
|  | <b>3.74</b> | <b>19.69</b> |
| Number of units                          | -           | -            |
| Dividend per unit                        | -           | -            |
|  | -           | -            |

**3.11. Table showing the allocation of distributable income from net capital gains and losses***(In the accounting currency of the Fund)*

| Date | Total amount | Amount per unit |
|------|--------------|-----------------|
| -    | -            | -               |
| -    | -            | -               |
| -    | -            | -               |
| -    | -            | -               |
| -    | -            | -               |
| -    | -            | -               |

| Allocation of net capital gains/losses                                  | EUR                  | EUR                 |
|---|----------------------|---------------------|
| Previous undistributed net capital gains and losses                     | -                    | -                   |
| Net capital gains and losses for the financial year                     | -5,757,459.92        | 1,887,755.49        |
| Interim payments of net capital gains and losses for the financial year | -                    | -                   |
|   | <b>-5,757,459.92</b> | <b>1,887,755.49</b> |

| CR UNITS/FR0007475843                        |                      |                     |
|--|----------------------|---------------------|
| Currency                                     | EUR                  | EUR                 |
| Distribution                                 | -                    | -                   |
| Net capital gains and losses not distributed | -                    | -                   |
| Accumulation                                 | -3,624,384.56        | 1,401,320.79        |
|  | <b>-3,624,384.56</b> | <b>1,401,320.79</b> |
| Number of units                              | -                    | -                   |
| Dividend per unit                            | -                    | -                   |

| CN UNITS/FR0013280187                        |                    |                   |
|--|--------------------|-------------------|
| Currency                                     | EUR                | EUR               |
| Distribution                                 | -                  | -                 |
| Net capital gains and losses not distributed | -                  | -                 |
| Accumulation                                 | -619,924.90        | 170,747.21        |
|  | <b>-619,924.90</b> | <b>170,747.21</b> |
| Number of units                              | -                  | -                 |
| Dividend per unit                            | -                  | -                 |



| CI UNITS/FR0013353026                        |                    |          |
|--|--------------------|----------|
| Currency                                     | EUR                | EUR      |
| Distribution                                 | -                  | -        |
| Net capital gains and losses not distributed | -                  | -        |
| Accumulation                                 | -442,344.55        | -        |
|  | <b>-442,344.55</b> | <b>-</b> |
| Number of units                              | -                  | -        |
| Dividend per unit                            | -                  | -        |

| GC UNITS/FR0011606359                        |                      |                   |
|--|----------------------|-------------------|
| Currency                                     | EUR                  | EUR               |
| Distribution                                 | -                    | -                 |
| Net capital gains and losses not distributed | -                    | -                 |
| Accumulation                                 | -1,070,756.75        | 315,836.60        |
|  | <b>-1,070,756.75</b> | <b>315,836.60</b> |
| Number of units                              | -                    | -                 |
| Dividend per unit                            | -                    | -                 |

| CRW UNITS/FR0014005D10                       |               |                |
|--|---------------|----------------|
| Currency                                     | EUR           | EUR            |
| Distribution                                 | -             | -              |
| Net capital gains and losses not distributed | -             | -              |
| Accumulation                                 | -49.19        | -149.14        |
|  | <b>-49.19</b> | <b>-149.14</b> |
| Number of units                              | -             | -              |
| Dividend per unit                            | -             | -              |

### 3.12. Table of income and other key characteristics of the FCP over the past five financial years

Fund inception date: 19 November 1993

Currency

EUR

|                   |                      |               |               |               |               |
|-------------------|----------------------|---------------|---------------|---------------|---------------|
| <b>Net assets</b> | <b>41,190,887.50</b> | 41,969,211.51 | 50,129,580.51 | 37,942,127.93 | 54,584,720.99 |
|-------------------|----------------------|---------------|---------------|---------------|---------------|

CR UNITS/FR0007475843

Unit and net asset value currency: EUR

|                                    |                |         |         |         |         |
|------------------------------------|----------------|---------|---------|---------|---------|
| <b>Number of units outstanding</b> | <b>160,533</b> | 146,382 | 159,467 | 146,875 | 194,095 |
|------------------------------------|----------------|---------|---------|---------|---------|

|                        |              |        |        |        |        |
|------------------------|--------------|--------|--------|--------|--------|
| <b>Net asset value</b> | <b>160.5</b> | 212.57 | 230.77 | 185.66 | 188.64 |
|------------------------|--------------|--------|--------|--------|--------|

|   |   |   |   |   |   |
|---|---|---|---|---|---|
| <b>Distribution of net capital gains/losses per unit (including interim payments)</b> | - | - | - | - | - |
|---|---|---|---|---|---|

|  |   |   |   |   |   |
|--|---|---|---|---|---|
| <b>Distribution per unit (including interim payments)*</b> | - | - | - | - | - |
|--|---|---|---|---|---|

|  |   |   |   |   |   |
|--|---|---|---|---|---|
| <b>Tax credit per unit transferred to unit holders (natural persons)<sup>(1)</sup></b> | - | - | - | - | - |
|--|---|---|---|---|---|

|                               |               |       |       |        |      |
|-------------------------------|---------------|-------|-------|--------|------|
| <b>Accumulation per unit*</b> | <b>-22.54</b> | 10.57 | 27.99 | -11.07 | 5.98 |
|-------------------------------|---------------|-------|-------|--------|------|

\* The per-unit accumulation and distribution amounts and tax credits are expressed in the accounting currency of the Fund. The accumulation per unit corresponds to the sum of the income and capital gains and losses on the number of units outstanding. This calculation method has been applied since 1 January 2013.

<sup>(1)</sup> Pursuant to the tax instruction of 4 March 1993 of the Direction Générale des Impôts (the French department of revenue), the tax credit per unit is determined on the ex-dividend date by dividing the total amount of tax credits among the units outstanding on this date.

CN UNITS/FR0013280187

Unit and net asset value currency: EUR

|                                    |               |        |        |        |        |
|------------------------------------|---------------|--------|--------|--------|--------|
| <b>Number of units outstanding</b> | <b>56,179</b> | 36,656 | 34,314 | 17,935 | 42,985 |
|------------------------------------|---------------|--------|--------|--------|--------|

|                        |              |        |        |       |       |
|------------------------|--------------|--------|--------|-------|-------|
| <b>Net asset value</b> | <b>78.55</b> | 103.63 | 111.86 | 89.43 | 90.27 |
|------------------------|--------------|--------|--------|-------|-------|

|   |   |   |   |   |   |
|---|---|---|---|---|---|
| <b>Distribution of net capital gains/losses per unit (including interim payments)</b> | - | - | - | - | - |
|---|---|---|---|---|---|

|  |   |   |   |   |   |
|--|---|---|---|---|---|
| <b>Distribution per unit (including interim payments)*</b> | - | - | - | - | - |
|--|---|---|---|---|---|

|  |   |   |   |   |   |
|--|---|---|---|---|---|
| <b>Tax credit per unit transferred to unit holders (natural persons)<sup>(1)</sup></b> | - | - | - | - | - |
|--|---|---|---|---|---|

|                               |               |      |       |       |      |
|-------------------------------|---------------|------|-------|-------|------|
| <b>Accumulation per unit*</b> | <b>-10.65</b> | 5.73 | 14.19 | -4.73 | 3.43 |
|-------------------------------|---------------|------|-------|-------|------|

\* The per-unit accumulation and distribution amounts and tax credits are expressed in the accounting currency of the Fund. The accumulation per unit corresponds to the sum of the income and capital gains and losses on the number of units outstanding. This calculation method has been applied since 1 January 2013.

<sup>(1)</sup> Pursuant to the tax instruction of 4 March 1993 of the Direction Générale des Impôts (the French department of revenue), the tax credit per unit is determined on the ex-dividend date by dividing the total amount of tax credits among the units outstanding on this date.

CI UNITS/FR0013353026

Unit and net asset value currency: EUR

|  |                  |      |      |        |        |
|--|------------------|------|------|--------|--------|
| <b>Number of units outstanding</b>   | <b>4,249.034</b> | 0    | 0    | 5,400  | 8,230  |
| <b>Net asset value</b>   | <b>796.25</b>    | 0.00 | 0.00 | 982.6  | 989.85 |
| <b>Distribution of net capital gains/losses per unit (including interim payments)</b>  | -                | -    | -    | -      | -      |
| <b>Distribution per unit (including interim payments)*</b>                             | -                | -    | -    | -      | -      |
| <b>Tax credit per unit transferred to unit holders (natural persons)<sup>(1)</sup></b> | -                | -    | -    | -      | -      |
| <b>Accumulation per unit*</b>  | <b>-103.64</b>   | -    | -    | -50.02 | -8.47  |

\* The per-unit accumulation and distribution amounts and tax credits are expressed in the accounting currency of the Fund. The accumulation per unit corresponds to the sum of the income and capital gains and losses on the number of units outstanding. This calculation method has been applied since 1 January 2013.

<sup>(1)</sup> Pursuant to the tax instruction of 4 March 1993 of the Direction Générale des Impôts (the French department of revenue), the tax credit per unit is determined on the ex-dividend date by dividing the total amount of tax credits among the units outstanding on this date.

GC UNITS/FR0011606359

Unit and net asset value currency: EUR

|  |                   |            |            |            |            |
|--|-------------------|------------|------------|------------|------------|
| <b>Number of units outstanding</b>   | <b>68,719.689</b> | 48,123.994 | 60,279.055 | 29,936.678 | 46,946.933 |
| <b>Net asset value</b>   | <b>110.99</b>     | 146.13     | 157.43     | 125.66     | 126.58     |
| <b>Distribution of net capital gains/losses per unit (including interim payments)</b>  | -                 | -          | -          | -          | -          |
| <b>Distribution per unit (including interim payments)*</b>                             | -                 | -          | -          | -          | -          |
| <b>Tax credit per unit transferred to unit holders (natural persons)<sup>(1)</sup></b> | -                 | -          | -          | -          | -          |
| <b>Accumulation per unit*</b>  | <b>-14.79</b>     | 8.36       | 20.19      | -6.39      | 5.06       |

\* The per-unit accumulation and distribution amounts and tax credits are expressed in the accounting currency of the Fund. The accumulation per unit corresponds to the sum of the income and capital gains and losses on the number of units outstanding. This calculation method has been applied since 1 January 2013.

<sup>(1)</sup> Pursuant to the tax instruction of 4 March 1993 of the Direction Générale des Impôts (the French department of revenue), the tax credit per unit is determined on the ex-dividend date by dividing the total amount of tax credits among the units outstanding on this date.

CRW UNITS/FR0014005D10

Unit and net asset value currency: EUR

|  |              |       |   |   |   |
|--|--------------|-------|---|---|---|
| <b>Number of units outstanding</b>   | <b>10</b>    | 202   | - | - | - |
| <b>Net asset value</b>   | <b>95.18</b> | 99.33 | - | - | - |
| <b>Dividend per unit on net capital gains or losses (including interim payments)</b> | -            | -     | - | - | - |
| <b>Dividend per unit (including interim payments)*</b>                               | -            | -     | - | - | - |
| <b>Tax credit per unit transferred to unitholders (natural persons) (1)</b>          | -            | -     | - | - | - |
| <b>Accumulation per unit*</b>  | <b>-4.54</b> | -0.64 | - | - | - |

\* The per-unit accumulation and distribution amounts and tax credits are expressed in the accounting currency of the Fund. The accumulation per unit corresponds to the sum of the income and capital gains and losses on the number of units outstanding. This calculation method has been applied since 1 January 2013.

<sup>(1)</sup> Pursuant to the tax instruction of 4 March 1993 of the Direction Générale des Impôts (the French department of revenue), the tax credit per unit is determined on the ex-dividend date by dividing the total amount of tax credits among the units outstanding on this date.

# 4 inventory at 30/06/2023

| Security code | Security description                          | Security status | Quantity     | Market value | Listing currency | % net assets |
|---------------|---|-----------------|--------------|--------------|------------------|--------------|
| CNE100000GR6  | AIER EYE HOSPITAL GROUP CO LTD                | OWN FUNDS       | 127,328.00   | 298,032.13   | CNY              | 0.72         |
| KYG017191142  | ALIBABA GROUP HOLDING LTD                     | OWN FUNDS       | 75,300.00    | 715,154.92   | HKD              | 1.74         |
| CNE000000MM6  | ANHUI HELI -A-                                | OWN FUNDS       | 172,300.00   | 433,299.14   | CNY              | 1.05         |
| CNE100000Z75  | ANHUI HONGLU STEEL CONSTRUCTION CO LTD        | OWN FUNDS       | 237,510.00   | 863,416.63   | CNY              | 2.10         |
| CNE1000005P7  | BANK OF NINGBO CO LTD -A                      | OWN FUNDS       | 404,900.00   | 1,292,598.20 | CNY              | 3.14         |
| CNE100003PM2  | BEIJING KINGSOFT OFFICE SOFTWARE INC A        | OWN FUNDS       | 17,910.00    | 1,067,173.94 | CNY              | 2.59         |
| CNE100001526  | BYD CO LTD -A                                 | OWN FUNDS       | 16,100.00    | 524,680.70   | CNY              | 1.27         |
| CNE100005XY6  | CHANGCHUN BCHT BIOTECHNOLOGY CO               | OWN FUNDS       | 52,644.00    | 415,832.53   | CNY              | 1.01         |
| CNE100001Y42  | CHAOZHOU THREE -CIRCLE GROUP CO LTD           | OWN FUNDS       | 268,300.00   | 993,628.47   | CNY              | 2.41         |
| CNE000001B33  | CHINA MERCHT BK -A-                           | OWN FUNDS       | 290,800.00   | 1,202,080.48 | CNY              | 2.92         |
| CNE100000866  | CHINA RAILWAY GROUP LIMITED A                 | OWN FUNDS       | 1,097,000.00 | 1,049,230.92 | CNY              | 2.55         |
| CNE0000011K8  | CHINA RESOURCES SANJIU MED A                  | OWN FUNDS       | 105,700.00   | 809,044.93   | CNY              | 1.96         |
| CNE0000006M4  | CHINA TUNG STEN AND HIGHTECH MATERIALS CO LTD | OWN FUNDS       | 282,620.00   | 345,558.77   | CNY              | 0.84         |
| CNE100003662  | CONTEMPORARY AMPEREX TECHNOLOGY CO LTD        | OWN FUNDS       | 46,440.00    | 1,340,678.05 | CNY              | 3.25         |
| CNE100002RG2  | DASHENLIN PHARMACEUTICAL GRP CO LTD A         | OWN FUNDS       | 170,640.00   | 603,099.82   | CNY              | 1.46         |
| CNE100002GK7  | G BITS NETWORK TECHNOLOGY CO LTD              | OWN FUNDS       | 15,400.00    | 954,321.59   | CNY              | 2.32         |
| CNE000000MD5  | GUJING DISTILERY                              | OWN FUNDS       | 13,100.00    | 408,913.20   | CNY              | 0.99         |
| CNE100000WY9  | HANGZHOU ROBAM APPLIANCES CO LTD A            | OWN FUNDS       | 112,500.00   | 359,001.78   | CNY              | 0.87         |
| CNE000000PF3  | HISENSE VISUAL TECHNOLOGY CO LTD              | OWN FUNDS       | 207,600.00   | 648,332.51   | CNY              | 1.57         |
| CNE0000011S1  | HUANDONG MEDECINE CO LTD-A                    | OWN FUNDS       | 203,500.00   | 1,113,650.93 | CNY              | 2.70         |
| CNE000001GD5  | HUNDSUN TECHNOLOGIES INC                      | OWN FUNDS       | 112,820.00   | 630,502.81   | CNY              | 1.53         |
| CNE100000B81  | IFLYTEK CO LTD - A                            | OWN FUNDS       | 66,700.00    | 571,971.58   | CNY              | 1.39         |
| CNE100001377  | INGENIC SEMICONDUCTOR CO LTD                  | OWN FUNDS       | 66,600.00    | 742,128.93   | CNY              | 1.80         |
| KYG4818G1010  | INNOVENT BIOLOGICS INC                        | OWN FUNDS       | 261,000.00   | 903,610.65   | HKD              | 2.19         |
| CNE100000SD1  | JA SOLAR TECHNOLOGY CO LTD                    | OWN FUNDS       | 200,900.00   | 1,057,088.24 | CNY              | 2.57         |

## ODDO BHF CHINA DOMESTIC LEADERS

| Security code | Security description   | Security status | Quantity      | Market value | Listing currency | % Assets net |
|---------------|--|-----------------|---------------|--------------|------------------|--------------|
| CNE000001F05  | JCET GROUP CO LTD  | OWN FUNDS       | 194,800.00    | 766,162.70   | CNY              | 1.86         |
| CNE0000014W7  | JIANGSU HENGRUI MEDICINE C A                                 | OWN FUNDS       | 77,000.00     | 465,394.76   | CNY              | 1.13         |
| CNE1000051C9  | KUNSHAN DONGWEI TECHNOLOGY CO LTD                            | OWN FUNDS       | 37,793.00     | 475,589.69   | CNY              | 1.15         |
| CNE0000018R8  | KWEICHOW MOUTAI CO LTD -A-                                   | OWN FUNDS       | 6,600.00      | 1,408,259.83 | CNY              | 3.42         |
| KYG596691041  | MEITUAN  | OWN FUNDS       | 49,700.00     | 710,938.40   | HKD              | 1.73         |
| CNE100001QQ5  | MIDEA GROUP CO   | OWN FUNDS       | 55,700.00     | 414,107.58   | CNY              | 1.01         |
| CNE100000ML7  | NAURA TECHNOLOGY GROUP CO LTD                                | OWN FUNDS       | 15,800.00     | 633,287.91   | CNY              | 1.54         |
| CNE100003HW8  | NINGBO HAITIAN PRECISION MACHINERY CO LTD                    | OWN FUNDS       | 100,700.00    | 423,125.26   | CNY              | 1.03         |
| CNE000001R84  | PING AN INSURANCE GROUP CO-A                                 | OWN FUNDS       | 340,200.00    | 1,991,808.31 | CNY              | 4.84         |
| CNE100000L63  | S F HOLDING CO LTD   | OWN FUNDS       | 123,300.00    | 701,517.58   | CNY              | 1.70         |
| CNE100000V46  | SHENZHEN INOVANCE TECHNOLOGY CO LTD                          | OWN FUNDS       | 162,100.00    | 1,313,351.38 | CNY              | 3.19         |
| CNE000001KM8  | SIEYUAN ELECTRIC CO LTD-A                                    | OWN FUNDS       | 130,400.00    | 768,733.27   | CNY              | 1.87         |
| CNE1000018M7  | SUNGROW POWER SUPPLY CO LTD                                  | OWN FUNDS       | 72,500.00     | 1,066,948.68 | CNY              | 2.59         |
| CNE1000012X7  | TONGKUN GROUP CO LTD-A                                       | OWN FUNDS       | 693,500.00    | 1,159,464.86 | CNY              | 2.81         |
| KYG9066F1019  | TRIP COM GROUP LTD   | OWN FUNDS       | 19,150.00     | 610,581.66   | HKD              | 1.48         |
| CNE1000004K1  | TSINGTAO BREWERY CO LTD-H                                    | OWN FUNDS       | 96,000.00     | 799,466.65   | HKD              | 1.94         |
| CNE1000000D4  | WEICHAI POWER -A-  | OWN FUNDS       | 582,000.00    | 915,031.99   | CNY              | 2.22         |
| CNE000000VQ8  | WULIANGYE YIBIN CO LTD                                       | OWN FUNDS       | 53,800.00     | 1,110,404.41 | CNY              | 2.70         |
| KYG970081173  | WUXI BIOLOGICS INC   | OWN FUNDS       | 100,000.00    | 439,196.70   | HKD              | 1.07         |
| CNE000001M22  | ZHEJIANG SANHUA INTELLIGENT CO SHS A                         | OWN FUNDS       | 155,600.00    | 594,119.44   | CNY              | 1.44         |
| CNE000001GX3  | ZHUZHOU QIANJIN PHARMACEUTICAL CO LTD A                      | OWN FUNDS       | 346,100.00    | 492,613.09   | CNY              | 1.20         |
| CNE000000TK5  | ZTE CORPORATION A  | OWN FUNDS       | 318,000.00    | 1,827,323.31 | CNY              | 4.44         |
| CNE1000010N2  | 37 INTERACTIVE ENTERTAINMENT NETWORK TECHNOLOGY GROUP CO LTD | OWN FUNDS       | 219,700.00    | 966,945.02   | CNY              | 2.35         |
|               | ACH DIFF OP DE CAPI  | OWN FUNDS       | -853.55       | -853.55      | EUR              | -0.00        |
|               | BANQUE AED SGP   | OWN FUNDS       | -16.21        | -4.05        | AED              | -0.00        |
|               | BANQUE CNY SGP   | OWN FUNDS       | 12,483,640.35 | 1,575,202.88 | CNY              | 3.82         |
|               | BANQUE EUR SGP   | OWN FUNDS       | 121,559.79    | 121,559.79   | EUR              | 0.30         |

## ODDO BHF CHINA DOMESTIC LEADERS

| Security code                                | Security description | Security status | Quantity   | Market value         | Listing currency | % Assets net  |
|--|----------------------|-----------------|------------|----------------------|------------------|---------------|
|  | BANQUE HKD SGP       | OWN FUNDS       | 185,731.90 | 21,723.79            | HKD              | 0.05          |
|  | BANQUE USD SGP       | OWN FUNDS       | 29,645.96  | 27,173.20            | USD              | 0.07          |
|  | SOUS RECEV EUR SGP   | OWN FUNDS       | 27,655.78  | 27,655.78            | EUR              | 0.07          |
|  | CASH COLLATERAL PAID | OWN FUNDS       | 387,946.66 | 48,951.64            | CNY              | 0.12          |
|  | PRCOMGESTFIN         | OWN FUNDS       | -32,177.39 | -32,177.39           | EUR              | -0.08         |
|  | PRCOMGESTFIN         | OWN FUNDS       | -4,027.98  | -4,027.98            | EUR              | -0.01         |
|  | PRCOMGESTFIN         | OWN FUNDS       | -1,764.59  | -1,764.59            | EUR              | -0.00         |
|  | PRCOMGESTFIN         | OWN FUNDS       | -5,696.50  | -5,696.50            | EUR              | -0.01         |
|  | PRCOMGESTFIN         | OWN FUNDS       | -1.45      | -1.45                | EUR              | -0.00         |
|  | PRCOMVARIABLE        | OWN FUNDS       | -4,261.21  | -4,261.21            | EUR              | -0.01         |
|  | PRCOMVARIABLEACQU    | OWN FUNDS       | -1.71      | -1.71                | EUR              | -0.00         |
|  | PRCOMVARIABLEACQU    | OWN FUNDS       | -4.60      | -4.60                | EUR              | -0.00         |
| CNE1HKD004K1                                 | TSINGTAO BREWERY     | ACHLIG          | 96,000.00  | 20,009.12            | HKD              | 0.05          |
| <b>Total ODDO BHF CHINA DOMESTIC LEADERS</b> |                      |                 |            | <b>41,190,887.50</b> |                  | <b>100.00</b> |





ODDO BHF China Domestic Leaders

**Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

indicators measure how the environmental and social characteristics promoted by the product were attained.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not establish a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**  
ODDO BHF China Domestic Leaders

**Legal entity identifier:**  
969500YATZ5T15LYC33

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

☒ Yes

☒ No

- ☐ It made sustainable investments with an environmental objective: N/A
- ☐ In economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ In economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ It made sustainable investments with a social objective: N/A

- ☒ It promoted Environmental/Social characteristics (E/S) and while it did not have as its objective a sustainable investment, it had a proportion of 34.50% of sustainable investments
- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective
- ☐ It promoted E/S characteristics, but did not make any sustainable investments.



### TO WHAT EXTENT WERE THE ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS PROMOTED BY THIS FINANCIAL PRODUCT MET?

During the period covered by this report, the Fund complied with its environmental and social characteristics via the following action:

- Application of the ODDO BHF Asset Management exclusion policy (coal, UNGC list, unconventional oil and gas, controversial weapons, tobacco, loss of biodiversity, and the production of fossil fuels in the Arctic) as well as other Fund-specific exclusions.
- Consideration of ESG ratings as described in the Fund prospectus (investment strategy) and ESG data from external providers.
- Application of the Fund Manager's voting policy if the Fund meets its requirements.
- Dialogue and engagement in line with the Fund Manager's dialogue and engagement policy.
- Consideration of principal adverse impacts (PAIs) in accordance with the Fund Manager's policy regarding Article 4 of the SFDR.
- Application of the Fund Manager's approach to the "do no significant harm" principle for investments considered to be sustainable.

This Fund's consideration of PAIs is based on negative screening for three PAIs (7, 10 and 14), and on ESG ratings, dialogue, engagement and voting for the other PAIs, as described in the PAI policy that is available in the regulatory information section of the ODDO BHF Asset Management website.

1

Environmental and/or social characteristics 30 June 2023

● *How did the sustainability indicators perform?*

|   | 30/06/2023 |         |
|---|------------|---------|
|   | Fund       | Hedging |
| MSCI ESG Rating*  | BB         | 91.8    |
| ESG Score   | 4.0        | 91.8    |
| Average E rating  | 5.6        | 91.8    |
| Average S rating  | 4.2        | 91.8    |
| Average G rating  | 4.1        | 91.8    |
| Weighted carbon intensity (tCO <sub>2</sub> e/€m revenue) | 79.1       | 100.0   |
| Sustainable investments (%)                               | 34.5       | 87.8    |
| Taxonomy-aligned investments (%)                          | N/A        | N/A     |
| Fossil fuel exposure (%)**                                | 0.0        | 0.0     |
| Carbon solutions exposure, green share (%)***             | 30.1       | 31.4    |

\* CCC is the rating with the highest risk and AAA is the best rating.

\*\* Percentage of revenue generated from the use of fossil fuels, based on the MSCI coverage ratio at portfolio level.

\*\*\* Percentage of revenue generated by the use of zero carbon solutions (renewable energy, sustainable transport, etc.), based on the MSCI coverage ratio at portfolio level.

● *... and compared to previous periods?*

The information was published for the first time this year.

● *What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investments contribute to such objectives?*

The sustainable investments pursued the following goals:

1. EU Taxonomy: contribution to climate change adaptation and mitigation, and to the other four environmental objectives of the EU Taxonomy. This contribution is measured by the sum of Taxonomy-aligned revenue for each of the portfolio's investments, according to its weighting and based on data published by investee companies. MSCI research may be used in the absence of data published by investee companies.
2. Environment: contribution to the environmental impact as defined by MSCI ESG Research, and its "sustainability impact" field in relation to environmental objectives. The following categories are concerned: alternative energy, energy efficiency, eco-construction, sustainable water, pollution prevention and control, sustainable farming.

The Fund held 34.5% sustainable investments and 0.0% Taxonomy-aligned investments at the end of the financial year (the Taxonomy objective was introduced on 1 January 2023).

The Fund respected its sustainable investment objective by a commitment to hold at least 10.0% of sustainable investments and 0.0% of Taxonomy-aligned investments.

The investments were sustainable in that they contributed to the development of green business activities based on revenue: low-carbon energy, energy efficiency, eco-construction, sustainable use of water, pollution prevention and control, and sustainable farming. Although these economic activities are covered by the EU Taxonomy, a lack of data prevents us from demonstrating their Taxonomy-alignment. These investments are therefore classed as sustainable in the "Other environmental" category.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

This principle, as applied to the Fund's sustainable investment objective, was checked through a 3-stage approach:

1. Companies subject to serious environmental, social or governance controversies are not considered to be sustainable.
2. Companies covered by the ODDO BHF Asset Management exclusion policy (anti-personnel mines, cluster bombs, chemical weapons and biological weapons) are not considered to be sustainable and may not be invested in by the Fund.
3. Companies exposed to controversial weapons and/or breaching the principles of the UN Global Compact are not considered to be sustainable and may not be invested in by the Fund.

Our monitoring teams are tasked with checking that the Fund's sustainable investments follow our approach on the do no significant harm principle and may therefore be considered sustainable investments at Fund level. Our approach is based on controversies as well as (pre-trade) exclusions.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

**How have the indicators for adverse impacts on sustainability factors been taken into account?**

We consider all PAIs provided that we have enough data on them. This Fund's consideration of PAIs is based on negative screening for three PAIs (7, 10 and 14), and on ESG ratings, dialogue, engagement and voting for the other PAIs, as described in the PAI policy that is available in the regulatory information section of the ODDO BHF Asset Management website.

Their consideration is based on exclusion lists (coal, UNGC list, unconventional oil and gas, controversial weapons, tobacco, loss of biodiversity, and the production of fossil fuels in the Arctic), and the use of ESG ratings, dialogue, voting and engagement. They may result from published data or, to a lesser extent, estimates.

**Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Detailed description:**

Although the Fund does not have sustainable investment as its objective, 34.5% of its investments were sustainable, whereas the minimum proportion indicated in the pre-contractual appendix was 10.0%.

The Fund Manager ensures that the Fund's sustainable investments are aligned by applying its exclusion list based on the UN Global Compact (UNGC), as indicated in the Fund Manager's exclusion policy. The UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises are considered in the internal or external ESG rating methodology (MSCI ESG Research) used by the Fund, as indicated in the pre-contractual disclosures.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The other underlying investments do not take into account EU criteria on environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



## HOW DID THIS FINANCIAL PRODUCT CONSIDER PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS?

The financial product considered principal adverse impacts through exclusions based on pre-trade and post-trade checks, dialogue, engagement and ESG analyses.

This Fund's consideration of Principal Adverse Impacts is based on negative screening for three PAIs (biodiversity, breaches of the principles of the UN Global Compact and OECD Guidelines for Multinational Enterprises, and exposure to controversial weapons (anti-personnel mines, cluster bombs, chemical weapons and biological weapons)) and on ESG ratings, dialogue, engagement and voting for the other PAIs, as described in the PAI policy that is available in the regulatory information section of the ODDO BHF Asset Management website.



## WHAT WERE THE TOP INVESTMENTS OF THIS FINANCIAL PRODUCT?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period: 01/07/2022 - 30/06/2023

| Largest investments          | Sector*                | % of assets** | Country |
|------------------------------|------------------------|---------------|---------|
| China Merchants Bank-A       | Finance                | 4.5%          | China   |
| Bank Of Ningbo Co Ltd -A     | Finance                | 3.7%          | China   |
| Kweichow Moutai Co Ltd-A     | Consumer staples       | 3.5%          | China   |
| Contemporary Amperex Techn-A | Industrials            | 3.3%          | China   |
| Wuliangye Yibin Co Ltd-A     | Consumer staples       | 3.3%          | China   |
| Sungrow Power Supply Co Lt-A | Industrials            | 3.1%          | China   |
| Shenzhen Inovance Technolo-A | Industrials            | 3.0%          | China   |
| Ping An Insurance Group Co-A | Finance                | 2.9%          | China   |
| Anhui Honglu Steel Constru-A | Materials              | 2.4%          | China   |
| Tongkun Group Co Ltd-A       | Materials              | 2.3%          | China   |
| Huadong Medicine Co Ltd-A    | Health care            | 2.2%          | China   |
| Hangzhou Robam Appliances-A  | Consumer discretionary | 2.2%          | China   |
| China International Travel-A | Consumer discretionary | 2.1%          | China   |
| Byd Co Ltd -A                | Consumer discretionary | 2.1%          | China   |
| Anhui Gujing Distillery Co-A | Consumer staples       | 2.0%          | China   |

\* At 30/06/2023, the Fund's total exposure to fossil fuels was 0.0% with coverage of 0.0%.

\*\*Calculation method: Average of investments based on four inventories covering the reference financial year (not used: 3-month rolling.)



## WHAT WAS THE SHARE OF SUSTAINABILITY-RELATED INVESTMENTS?

The breakdown can be viewed in the itemised table below.

### What was the asset allocation?

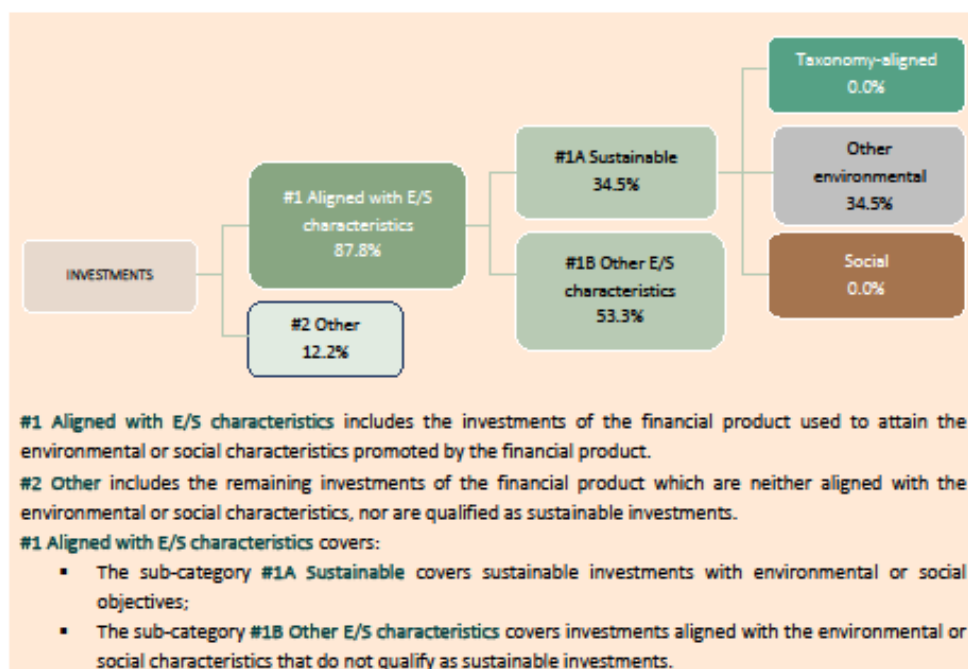
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

– turnover reflecting the share of revenue from green activities of investee companies.

– capital expenditure (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

– operational expenditure (OpEx) reflecting green operational activities of investee companies.



**#2 Other** include 4.4% cash, 0.0% derivatives and 7.8% investments that are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

### In which economic sectors were the investments made?

| Sector*                | % of assets at 30/06/2023 |
|------------------------|---------------------------|
| Industrials            | 22.0%                     |
| IT                     | 20.1%                     |
| Health care            | 12.0%                     |
| Finance                | 10.9%                     |
| Consumer staples       | 10.5%                     |
| Consumer discretionary | 9.7%                      |
| Materials              | 5.7%                      |
| Communication services | 4.7%                      |

\*At 30/06/2023, the Fund's total exposure to fossil fuels was 0.0% with coverage of 0.0%.





**To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Based on data from investee companies and the Fund Manager's data provider (MSCI), Taxonomy-aligned investments amounted to 0.0% at the end of the financial year if we include sovereign, supranational and central bank bonds, and 0.0% if we exclude these securities.

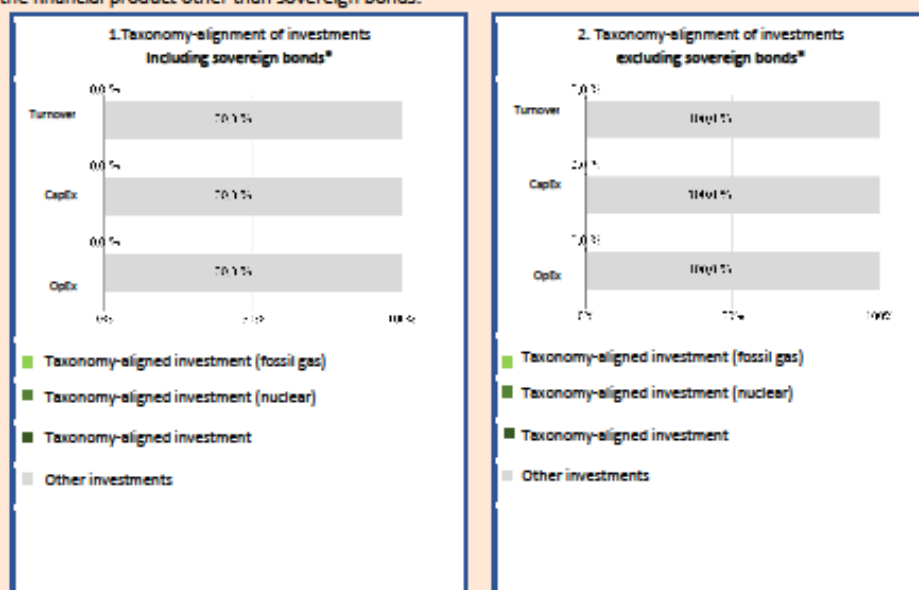
These investments' compliance with the requirements of Article 3 of Regulation (EU) 2020/852 was not checked by any auditor or third party.

To comply with the EU Taxonomy, the criteria for fossil gas includes limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

**Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?**

- ☐ Yes ☐ In fossil gas ☐ In nuclear
- ☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows Taxonomy-alignment solely in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.


**What was the share of investments made in transitional and enabling activities?**

The share of investments made in transitional and enabling activities was 0%.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

- *How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?*

Not applicable.

  
Are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



**What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**

The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was: 34.5%

This investment did not report Taxonomy-aligned data in 2022 due to a lack of data, and because such measurement was only introduced for this sub-fund in 2023.



**What was the share of socially sustainable investments?**

There were no socially sustainable investments.



**What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?**

Investments included in "#2 Other" are cash, derivatives and other secondary assets used to ensure optimal management of the portfolio.

The minimum safeguards for investments without an ESG rating are maintained by applying the ODDO BHF Asset Management exclusion policy and/or Fund-specific exclusions.

Given the role of these derivatives, we consider that they had no adverse impact on the Fund's ability to pursue its environmental and social characteristics.



**WHAT ACTIONS WERE TAKEN TO MEET THE ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS DURING THE REFERENCE PERIOD?**

The Fund Manager applied its active shareholder strategy in the following ways:

1. Vote at annual general meetings if the Fund meets the requirements of the Fund Manager's voting policy.
2. Dialogue with companies.
3. Engagement with companies in line with the Fund Manager's engagement policy.
4. Application of the ODDO BHF Asset Management exclusion policy as well as other Fund-specific exclusions.
5. Consideration of PAIs in accordance with the Fund Manager's PAI policy.



**HOW DID THIS FINANCIAL PRODUCT PERFORM COMPARED WITH THE REFERENCE BENCHMARK?**

Please refer to the table below for an overview of performance.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- *How did the reference benchmark differ from a broad market index?*

The fund tracks the MSCI China A NR benchmark.

This is a broad market index whose composition and method of calculation do not necessarily reflect the ESG characteristics promoted by the Fund.





ODDO BHF China Domestic Leaders

- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*

The reference benchmarks are not aligned with the environmental or social characteristics promoted by the Fund, so may contain companies excluded by the Fund Manager. Also, these reference benchmarks are not drawn up on the basis of environmental or social factors.

- *How did this financial product perform compared with the reference benchmark?*

Not applicable.

- *How did this financial product perform compared with the broad market index?*

Please refer to the table below for an overview of performance.

| 30/06/2023  |      |         |       |         |
|---|------|---------|-------|---------|
|   | Fund | Hedging | Index | Hedging |
| MSCI ESG Rating   | BB   | 91.8    | BB    | 99.1    |
| ESG Score   | 4.0  | 91.8    | 3.2   | 99.1    |
| Average E rating  | 5.6  | 91.8    | 4.5   | 99.1    |
| Average S rating  | 4.2  | 91.8    | 3.6   | 99.1    |
| Average G rating  | 4.1  | 91.8    | 3.8   | 99.1    |
| Weighted carbon intensity (tCO <sub>2</sub> e/€m revenue) | 79.1 | 100.0   | 396.9 | 100.0   |
| Fossil fuel exposure (%)                                  | 0.0  | 0.0     | 4.5   | 4.5     |
| Carbon solutions exposure, green share (%)                | 30.1 | 31.4    | 30.4  | 30.4    |