



**ODDO BHF**  
ASSET MANAGEMENT

## ODDO BHF GREEN PLANET: ECOLOGICAL TRANSITION *How to contribute to the positive revolution?*

INTERVIEW WITH NICOLAS JACOB, FUND MANAGER OF THE ODDO BHF GREEN PLANET FUND, APRIL 2022

### WHY DO YOU CONSIDER THE ECOLOGICAL TRANSITION TO BE A NECESSITY?

**NJ:** If met according to schedule, the commitments made when the Paris Agreement was proclaimed in 2015 and then renewed at COP 26 in Glasgow last November place the world on a warming trajectory of 2.1 to 2.4°C, i.e. still well above the 1.5 to 2°C target. Faced with the foreseeable consequences of climate change, from the scarcity of resources to the accelerated loss of biodiversity, which has a direct impact on our health, it is essential to initiate a global ecological transition towards a sustainable development model that recalibrates our ways of producing, consuming and even moving around. I would add that the current geopolitical context, in which energy independence is at the heart of concerns, can only accelerate this awareness even more, in particular the imperative to move away from fossil fuels within a reasonable timeframe.

### WHY IS THIS AN INVESTMENT OPPORTUNITY FOR AN INVESTOR?

**NJ:** According to the International Energy Agency, this global transformation will require between 4,000 and 5,000 billion dollars in annual investments between now and 2030 if we are to achieve the objective of carbon neutrality by 2050. Beyond these massive amounts of investment, the ecological transition encompasses a number of sectors with strong growth potential. It offers investors the possibility of being positioned in buoyant themes such as clean energy (+8% annual growth expected between 2018 and 2025\*),

energy efficiency (+6%\*), sustainable mobility (+32%\*), and the preservation of natural resources (+10%\*).

Many quality companies with, in our opinion, high growth profiles are involved in this theme. I am thinking in particular of names such as SSE\*\* - a British energy production and distribution company completing its transformation from fossil fuels to renewables, Darling Ingredients\*\* - a US company specialising in food waste recycling - and Quanta Services\*\* - a US company an expert in the design, manufacture and maintenance of electrical networks.

### HOW IS ODDO BHF ASSET MANAGEMENT CONTRIBUTING TO THIS POSITIVE REVOLUTION?

**NJ:** As a committed player, we are convinced that the investment world must actively contribute to the ecological transition. With this in mind, we have designed ODDO BHF Green Planet. This equity fund, which is now classified as article 9 under SFDR and has received several labels in Europe (ISR label, FNG label), offers investors comprehensive exposure to this theme, selecting 30 to 60 companies of all sizes, from across all sectors and around the globe. We aim to select companies with major competitive advantages, based on our analysis. In addition, we strive to select the most promising and best performing companies based on environmental commitment criteria. To show the relevance of this approach, we publish the green share. This indicator measures the percentage of the portfolio exposed

(\*) Sources: BofA Global Research 2020, ODDO BHF AM SAS

(\*\*) These examples do not constitute investment recommendations



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to companies offering clean technology solutions and stands at 78% as of end of March 2022. We also measure that we invest in companies which contribute to some of the various Sustainable Development Goals (SDG). For instance, our portfolio contributes positively to the SDG12 aimed at achieving sustainable and rational management of natural resources or at reducing waste generation through recycling. ODDO BHF Green Planet remains exposed to equity risk and the risk of capital loss.

### HOW IS ODDO BHF GREEN PLANET MANAGED ON A DAILY BASIS?

**NJ:** Our uniqueness lies in an investment process based on Artificial Intelligence. The use of natural language processing algorithms aims to detect the most alpha-generating sub-themes related to the ecological transition throughout its value chain. However, human intervention remains essential within ODDO BHF Green Planet to structure the algorithms, to provide a vision of the theme, to identify the companies that we believe offer the best fundamental characteristics in terms of growth, quality, valuation and stock market dynamics, and finally to favour our strongest convictions within the portfolio.

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