

**EMERGENCE SELECTS THE INNOVATIVE FUND
ODDO BHF ARTIFICIAL INTELLIGENCE
FOR ITS “TECHS FOR GOOD” SUB-FUND**

Emergence, a fund that accelerates the development of entrepreneurial asset management companies, has made the third investment in its Techs for Good sub-fund and is contributing €20 million to ODDO BHF Asset Management for its ODDO BHF Artificial Intelligence fund. Emergence's investment committee selects an innovative thematic fund that invests in international listed companies of all sizes with exposure to the artificial intelligence ecosystem based on algorithms using AI to detect stocks that are little known to the markets and show promising growth.

Paris, 8 November 2022 – Emergence and NewAlpha Asset Management, the fund's delegated manager, are announcing the third investment of the Emergence Techs for Good sub-fund,¹ in ODDO BHF Artificial Intelligence², managed by ODDO BHF Asset Management³.

Launched in December 2018, the **ODDO BHF Artificial Intelligence** fund targets the best global listed companies positively impacted by artificial intelligence (AI), regardless of their sector and capitalisation.

The fund identifies these companies using AI algorithms that process millions of items of semantic information from financial press articles every day. This initial phase precisely and dynamically determines AI-related themes and delimits the investment universe to around 200 stocks, which constitutes a pioneering and differentiating approach in asset management. From this restricted universe, the fund management team, after running several filters, selects the 40 most interesting companies in terms of financial data and risk profile, a key aim being to diversify the portfolio in terms of capitalisation size. The fund also integrates environmental, social and governance criteria and excludes the lowest rated stocks or those subject to significant controversy. Through fundamental analysis, the asset managers ensure that the stocks selected are truly rooted in the AI theme and offer strong growth potential over time.

ODDO BHF Artificial Intelligence is not purely a technology fund, offering a diversified mix of sectors driven by AI, such as software and related services, hardware and equipment, internet media, healthcare, and all business activities whose development is driven by AI (particularly financial services, intelligent mobility, semiconductors and equipment, and entertainment). At 30/09/2022, the median market capitalisation of the invested companies was €47.6 billion. While North America accounts for a significant portion of the fund's geographic allocation (85% of its capitalisation), followed by Asia (8%), Europe's share (7%) has started to take off and is set to grow given the accelerated development and use of AI.

The ODDO BHF Artificial Intelligence fund targets both retail investors, through distribution partners, and institutional investors, which benefit from the fund's eligibility for France's Tibi initiative since July 2020. With the contribution of Emergence, the fund's net assets totalled €230 million as 31 October 2022.

¹ Launched in April 2022, Emergence Techs for Good is a specialised professional fund (FPS) that is closed to investors.

² ODDO BHF Artificial Intelligence is approved by the AMF and was launched on 19/12/2018 with the ISIN LU1833933325 (Clw-USD unit) and LU1919842267 (CR-EUR unit).

³ ODDO BHF Asset Management SAS (France), a portfolio management company authorised by the AMF under the authorisation number GP 99011. A simplified joint stock company with a capital of €21,500,000. RCS 340 902 857 Paris.

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ODDO BHF Asset Management's development of expertise is based on more than 20 years of experience in equity research and the tech sector. The company's AI-based analysis capability is supported by an in-house data science team recruited in 2021.

Commenting, **Brice Prunas, Thematic Equity Manager at ODDO BHF Asset Management**, said: *"Emergence's investment is a key step in the development of our fund. It seals a common vision built on the need to combine investment in innovative listed companies with respect for social and environmental commitments while contributing to the development of the French and European ecosystem in this area."*

"The fund is a forerunner in the field of artificial intelligence and has set itself apart through the experience of its asset management team in this disruptive strategy and through the use of natural language processing in its management process. The algorithms used undeniably give this investment strategy a differentiating character," said **Benoit Donnen, Head of ESG and Equity Strategies at NewAlpha AM**. *"Mindful of the social impact of the investments made, we were also sensitive to research efforts in unstructured data analysis and support the goal of extending the scope of AI to ESG data."*

"The selection of ODDO BHF Artificial Intelligence distinguishes a doubly innovative fund, in terms of both its investment theme and its management process, which uses new natural language processing techniques to build the universe of stocks to be selected. The management company has also committed with NewAlpha AM and the Emergence fund to a precise decarbonisation trajectory for the portfolio, which is crucial to meeting the 'techs for good' objectives of sub-fund," said **Laurent Deborde, Chairman of the Emergence fund**.

The Techs for Good sub-fund, Emergence's fifth sub-fund and already endowed with €100 million, supports entrepreneurial asset management companies to step up the growth of their thematic funds on disruptive technologies with an ambitious strategy for impact and sustainable development. Emergence Techs for Good is perfectly aligned with the objectives of the Tibi report, which calls on French institutional investors to devote a larger share of their allocations to the development of global tech funds, serving to structure cutting-edge expertise France in the financing of tech companies, and French tech companies in particular.

Past performance is not a guide to future performance or the achievement of the objectives of the various products. Performance is not constant over time. Investors should be aware that investing involves the risk of the total or partial loss of the capital invested.

Main associated risks: Equity risk and capital loss. Risk scale: ODDO BHF Artificial Intelligence 6 / 7.

ABOUT EMERGENCE - The Emergence Sicav is the Paris financial centre's leading acceleration fund. Its goal is to accelerate the most promising and innovative young entrepreneurial asset management companies based in or with locations in France and to entrust them with capital to manage, thus helping them to grow and expand internationally. Emergence invests for a period of at least four years in one of their chosen funds to help it grow to exceed €100 million in AUM and to remove institutional and regulatory constraints (investment ratios). Since its creation in early 2012, the Emergence Sicav has committed to 24 asset management companies to accelerate 28 funds via its four sub-funds managed by New Alpha Asset Management: Performance Absolue (€307 million), Actions I (€200 million), Actions II (€320 million), Europe (€221 million), Techs for Good (€100 million). Emergence brings together 16 major institutional investors who work together as real acceleration partners for these high-potential entrepreneurial asset management companies. By launching Emergence, the French asset management industry, number one in continental Europe by AUM (€4,802 billion at end-2021) and recognised for its expertise, its capacity for innovation and its entrepreneurial momentum, has equipped itself with an innovative model that associates institutional investors with a fund that will increase the appeal of the Paris financial centre among European competitors as a hub for asset management activities. <https://www.emergence-incubation.com>

ABOUT NEWALPHA ASSET MANAGEMENT - NewAlpha Asset Management is an asset management company specialised in finding, investing in and supporting fast-growing entrepreneurial companies. NewAlpha provides investment solutions via

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two types of activity – multi-management and private equity – for its French and international institutional investors. Through its first business line, NewAlpha has been analysing, selecting and supporting innovative investment funds all over the world for 12 years, NewAlpha has carried out more than 100 strategic investments and invested nearly €2.5 billion in asset management companies in France and abroad. Since 2012, NewAlpha has been the delegated manager of the Emergence Sicav, the Paris financial centre's leading acceleration fund for French entrepreneurial management companies. NewAlpha provided management and advisory services for €2.8 billion in assets as at 30 June 2022. NewAlpha Asset Management is a subsidiary of La Française and is subject to the regulations of the French Financial Markets Authority (AMF – Autorité des Marchés Financiers). La Française is controlled by Crédit Mutuel Nord Europe.

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