MONTHLY *investment* BRIEF

Legitimate questions

As outlined by ODDO BHF chief economist Bruno Cavalier in his latest Macroview editorial, the global economy is sending out mixed signals. In terms of asset allocation, our role is to make investment decisions based on the macro-economic environment, micro-economic data, and what is commonly known as the "momentum", in which we encompass different data points such as: investment flows, alternative data, technical analysis, positioning, sentiment indicators…

Half-empty glass

Let's be franc and say that we've chosen our side and we believe risks are to the downside. Globally, economic growth in China has slowed to around 5%, in the US to less than 2%, and Europe is beginning to contract. It is therefore possible that global growth will fall below the 2% threshold that defines a classic recession. We are not there yet, but the recent trajectory of less than 3% in the 3rd quarter does not bode well.

Historically, rising unemployment has been the main factor contributing to a slowdown in economic activity. This may not be visible in developed countries, but take a look at China and its 11.6 million new graduates. In April, unemployment among young Chinese aged 16 to 24 reached a record level of 20.4%, almost double the pre-pandemic level of 12%. The arrival on the Chinese labour market this summer of millions of "Graduate 2023" young people could further jeopardise the government's "social pact". But China is not an isolated case. Germany has also seen unemployment rise by 0.7%, alongside a contraction of its economy.

What should we expect?

If the global economy were in the early stages of a classic recession, the following would be observed:

- ✓ Falling oil and metal prices, which is the case.
- ✓ Directionless price movements in the High Yield market, which is the case.
- ✓ Underperformance of cyclical sectors, which is the case.
- ✓ Equity indices down overall, which is not the case.

One explanation for the overall rise in equity indices lies in the spectacular performance of the "magnificent 7": Apple, Microsoft, Alphabet, Amazon, Nvidia, Meta and Tesla, whose combined market capitalisation now stands at $11,000 billion. The outperformance of these 7 stocks may continue for some time, but even the technology sector is not immune to a recession, let alone rising interest rates. Furthermore, the Nasdaq has announced that it will be reducing the weighting of MegaCaps in the Nasdaq100 to avoid excessive concentration. In this respect, it will be interesting to see how the price of these stocks develops until the index is rebalanced (24 July) and whether other index providers follow suit. This situation is reminiscent of the capping of DeutscheTelekom in the DAX in the year 2000...

So far, the signals of global deceleration have mainly been linked to China, as evidenced by the underperformance of metals and industrial commodities. In the months ahead, however, the weakness will no longer come from China, but from developed economies. Indeed, Chinese growth has become so worrying that the government is likely to intervene more significantly with stimulus measures to defend its 5% growth target. On the other hand, the dogmatism of central banks in trying to combat inflation, which they were slow to tackle, could push developed economies into a mild recession.

Source: ODDO BHF AM, comments as of 10/07/2023

Our convictions in terms of asset allocation

The consequences of this paradigm shift are important to your future asset allocation.

Here are our convictions for this summer.

1. We recommend a slight underweight in equities because of the negative economic repercussions of tighter credit conditions in developed markets (Europe and the US). An economic slowdown is becoming more likely as PMIs deteriorate. Against this backdrop, we prefer to shift our focus from overvalued equities to value equities with reasonable fundamentals and growth prospects. We are reweighting emerging markets, particularly China, given its attractive valuations and the expected acceleration in growth.
2. Some companies may experience pressure on margins, as price increases are likely to remain limited in an environment of weaker demand, while increases in fixed costs, particularly labor costs, remain high. In that respect, the luxury goods sector remains attractive.
3. We maintain our cautious stance on credit risk, particularly for highly leveraged companies, as the risk of financial stability translates into a more restrictive supply of credit. We are very cautious about the overleveraged real estate sector. Only short-duration bonds (maturity up to 5 years) can offer an attractive risk/return profile with a comfortable carry.
4. We are keeping a close look at the potential drying-up of liquidity in the market, as central banks reduce their balance sheets and the expected issuance volumes of the US Treasury need to be absorbed in the coming months. As a result, we are taking profits on peripheral debt and further increasing our underweight position.
5. The risk of a monetary policy misstep has increased. The financial system and the economy are vulnerable. Central banks must also strike a balance between the objective of price stability and the stability of financial markets in the context of accelerated monetary policy transmission. We need to add duration to our portfolios. We favour German and US sovereign bonds with maturities of 5-7 years. It is too early to play up the steepening of yield curves.

In conclusion

The simultaneous supply and demand shocks of recent years have temporarily broken the historical correlations between growth, unemployment and inflation. They continue to disrupt the reading of our macro and microeconomic environment. At this stage, the business leaders we work with remain very constructive in their outlook, a view at odds with the recent deterioration in macroeconomic indicators. The earnings season will give us a first indication of the trend in margins and earnings per share, and confirmation that a normalisation process is underway.

Happy holidays to all.

LAURENT DENIZE
Global Co-CIO, ODDO BHF

Source: ODDO BHF AM, comments as of 10/07/2023

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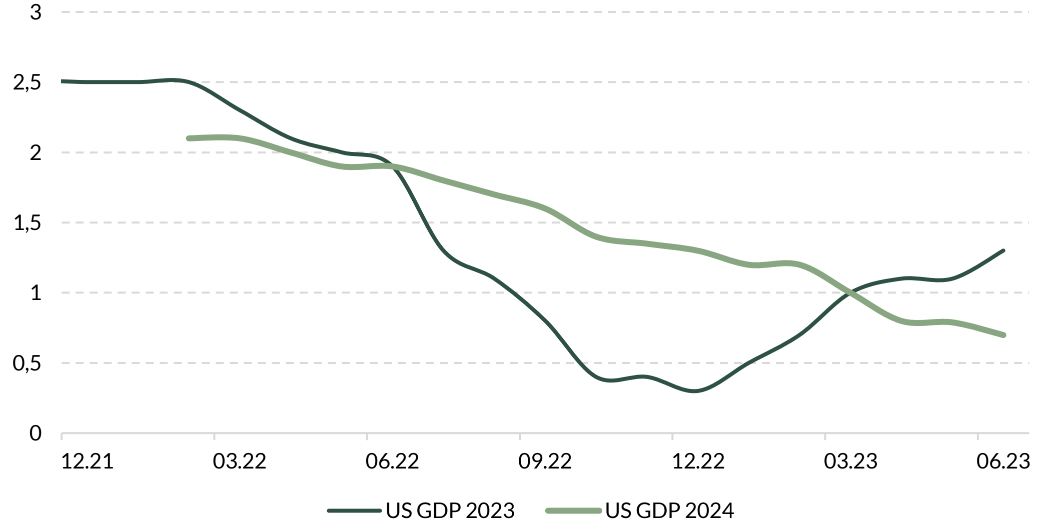
01

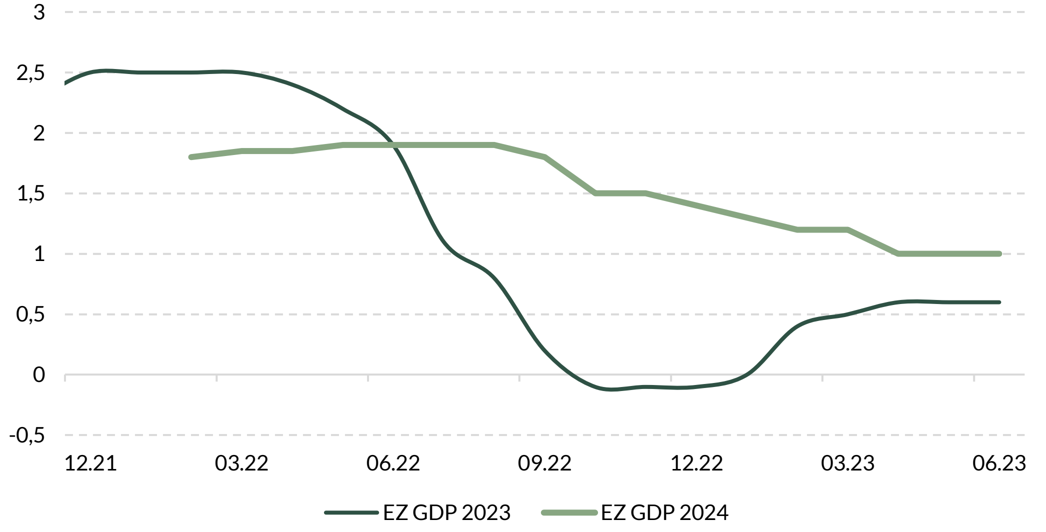
MACROECONOMIC *outlook*

Growth outlook
REGIONAL DIVERGENCE

US FULL YEAR GDP GROWTH ESTIMATES (%)



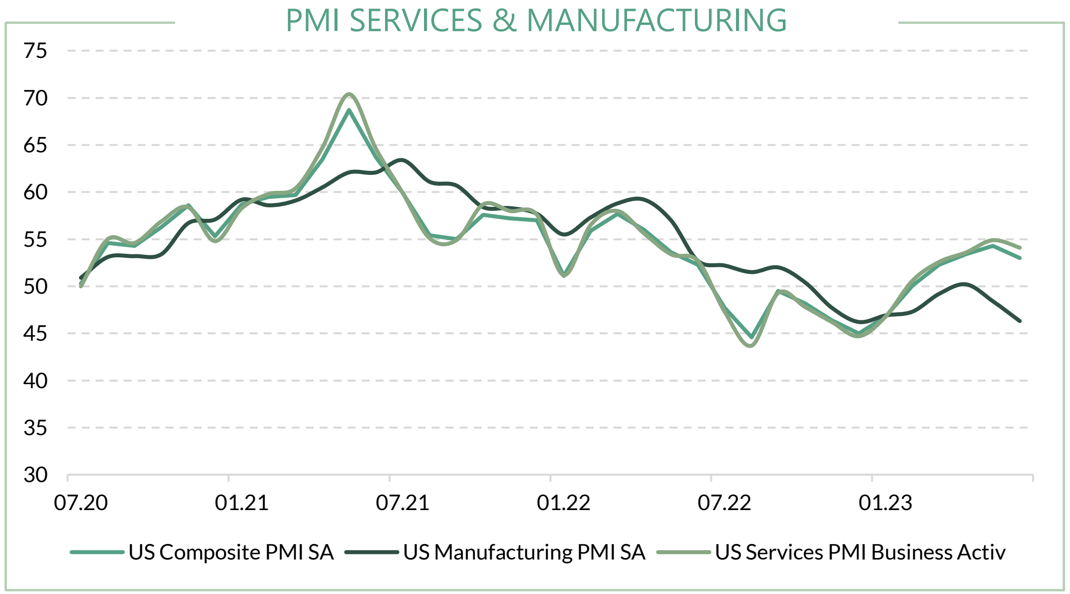
EUROZONE FULL YEAR GDP GROWTH ESTIMATES (%)

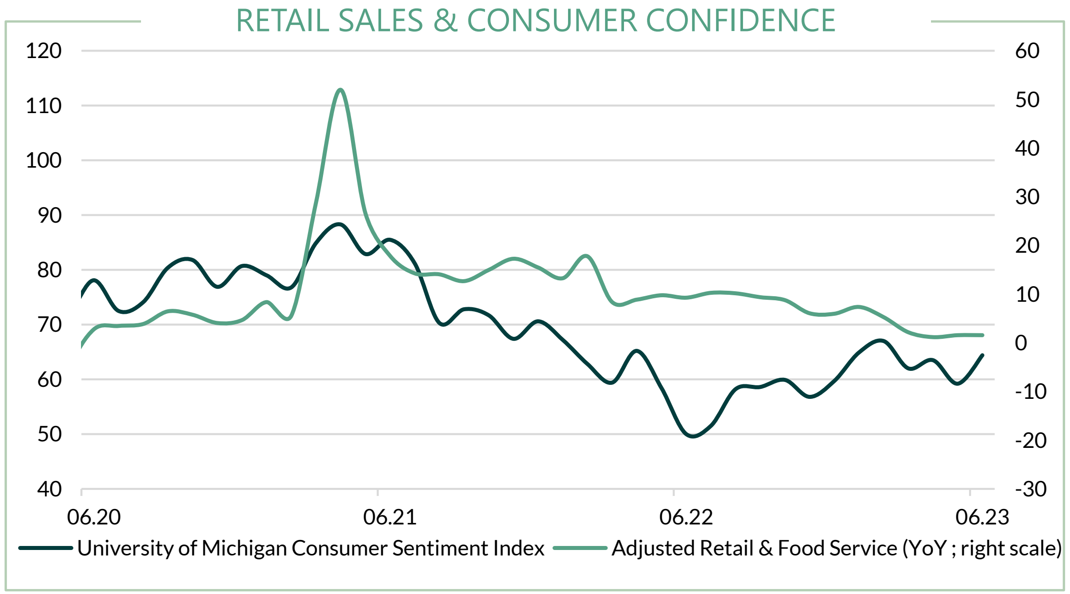


- With some acceleration in recent US data, consensus growth expectations have been lifted for this year
- Recession fears have basically subsided and the central consensus view is more one of a soft landing economy
- While the US has improved, momentum in the Eurozone and China has either stalled or faded

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/06/2023

USA
A LOPSIDED ECONOMY



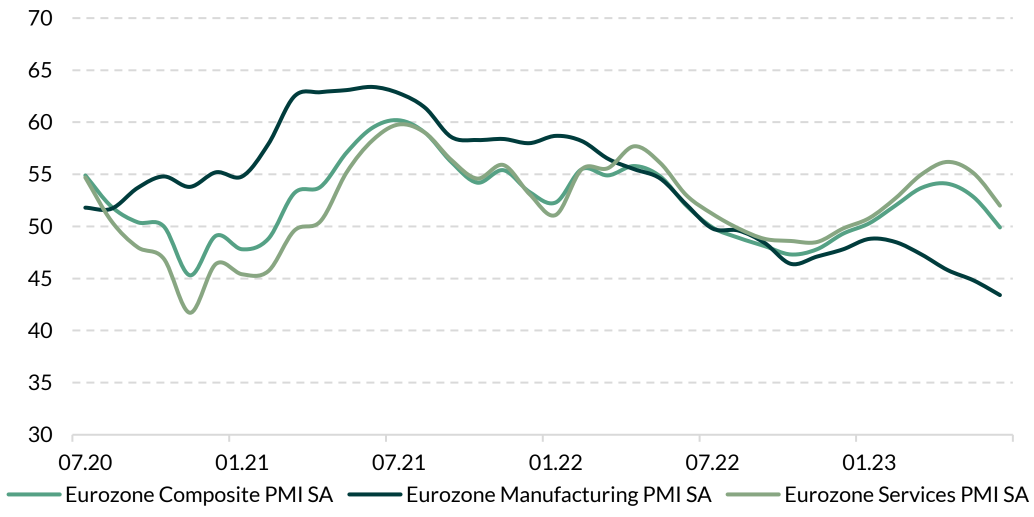


- The economy remains fairly resilient and has even accelerated slightly
- Main contributor for the improvement was the housing sector which rebounded from the previous slump. It remains to be seen if this was a head fake
- Although showing tentative cracks, the labor market is still strong. Non-farm payrolls in June slowed a bit, but earnings and the unemployment rate improved. Other measures like job openings faded slightly but are still much too high for the FED`s comfort
- On the other hand manufacturing remained depressed and services also decelerated slightly from an elevated level

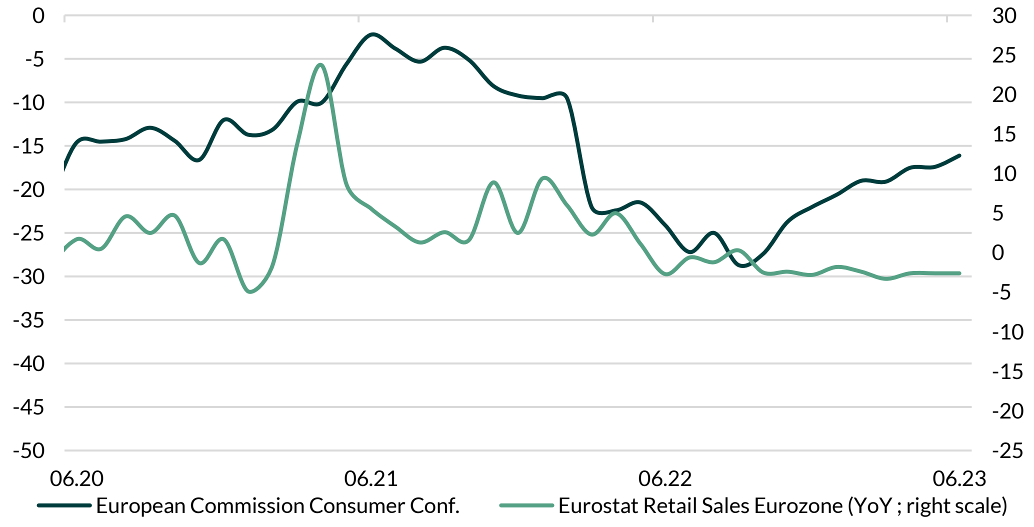
Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/06/2023

Europe
MOMENTUM FADES FURTHER

PMI SERVICES & MANUFACTURING



RETAIL SALES & CONSUMER CONFIDENCE

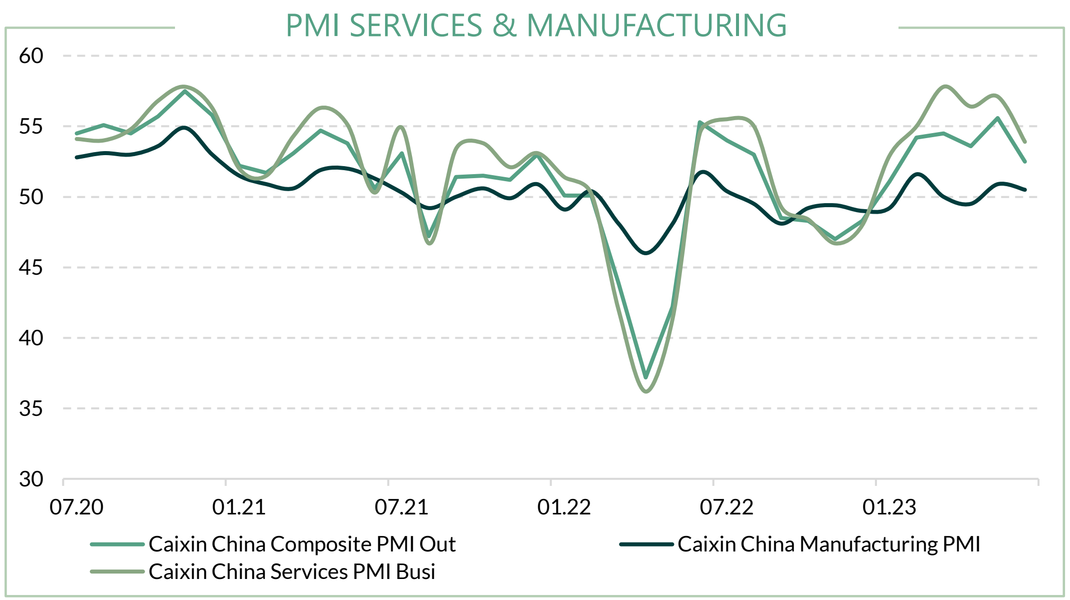


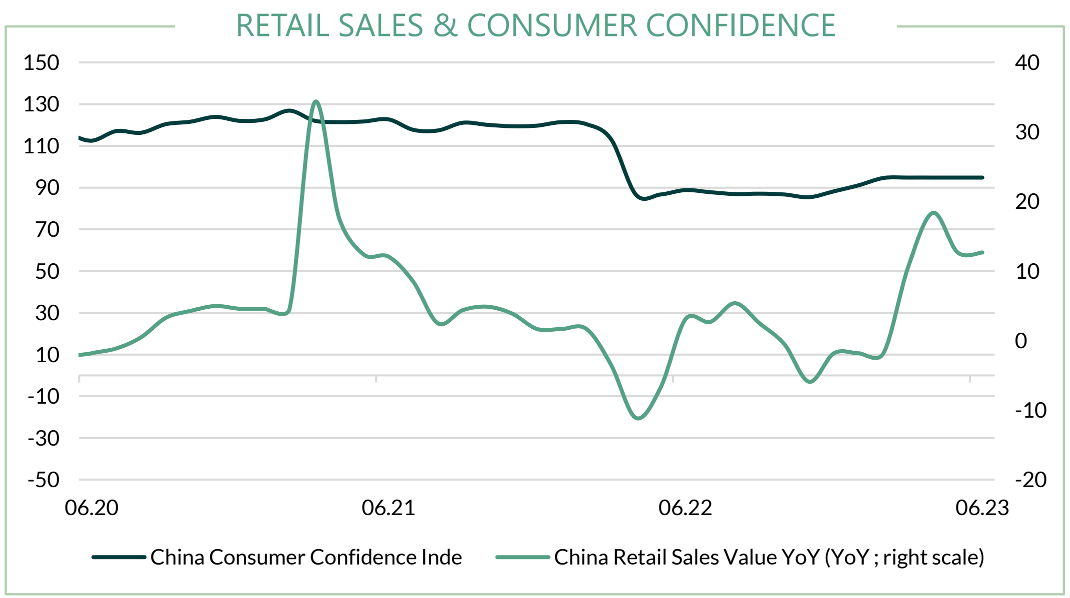
- The Eurozone PMI composite posted a slip below the 50-mark for the first time since mid 2022. While manufacturing remained in recessionary territory, the service sector is losing some steam from the post corona boom
- Hard data appeared to be better than suggested by PMIs. Both, industrial production and retail sales rebounded somewhat in April and May after the March slump
- On the positive side consumer spending is holding up well supported by tight labor markets, wage increases, saving reserves and improving real consumer incomes as inflation recedes
- We still see the risk for the economy tilted to the downside as the ECB hiking cycle works itself through the system and a likely US recession should impact the Eurozone in late 2023

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/06/2023

China

HOW MUCH STIMULUS IS NEEDED



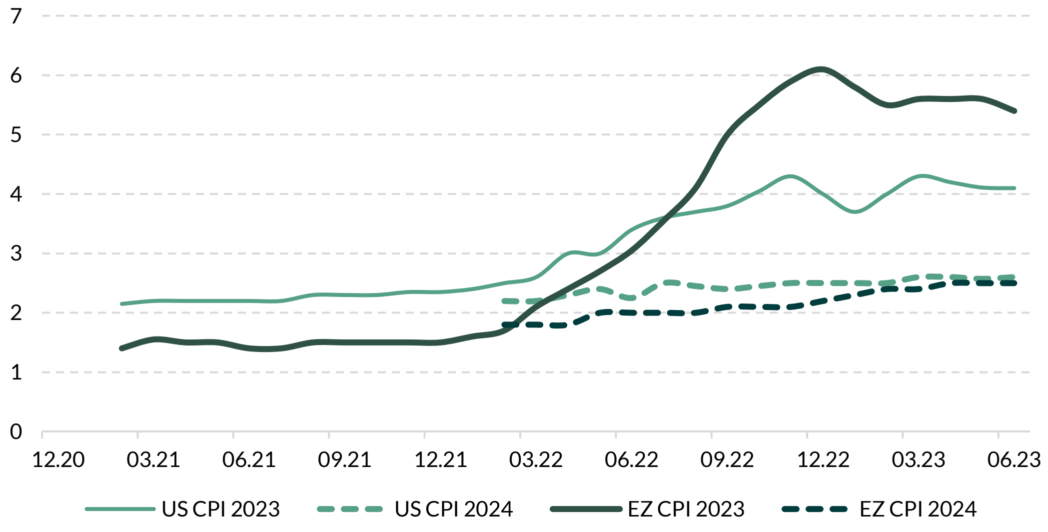


- Recent data have shown a uniformly downbeat picture
- NBI and Caixin PMIs slipped further mostly on the account of softening momentum in the services gauges
- Especially, the ongoing adjustment in the property market is a big structural brake on any cyclical improvement
- While the government mulls to increase stimulus measures, these are rather reactive and more aimed to put a floor under the economy instead of lifting it materially

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/06/2023

Inflation expectations ANCHORED

US & EUROZONE: FULL YEAR CPI GROWTH ESTIMATES (%)



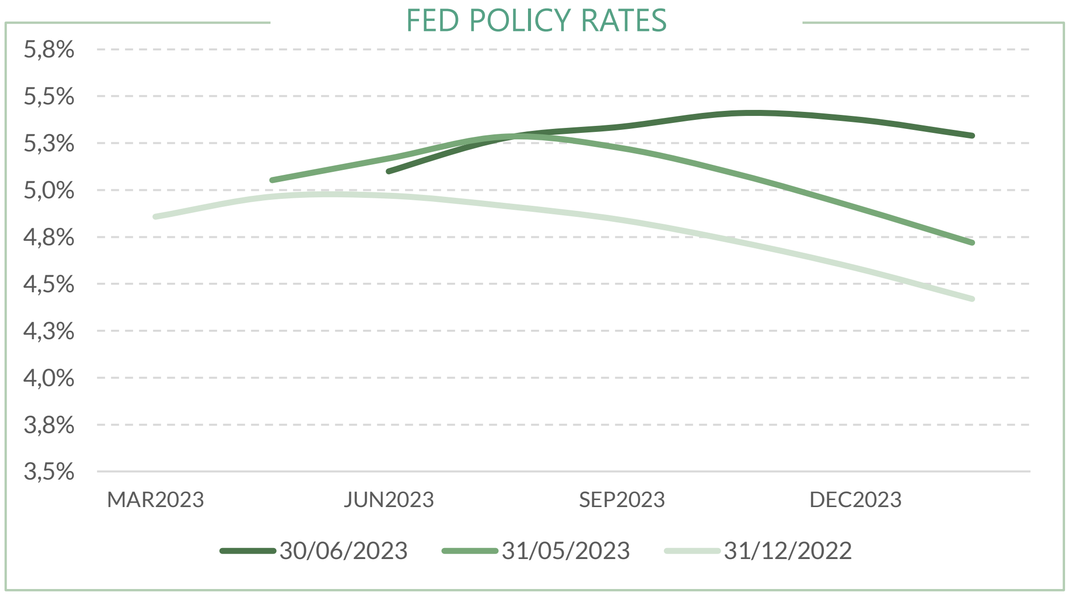
YOY CPI ESTIMATES

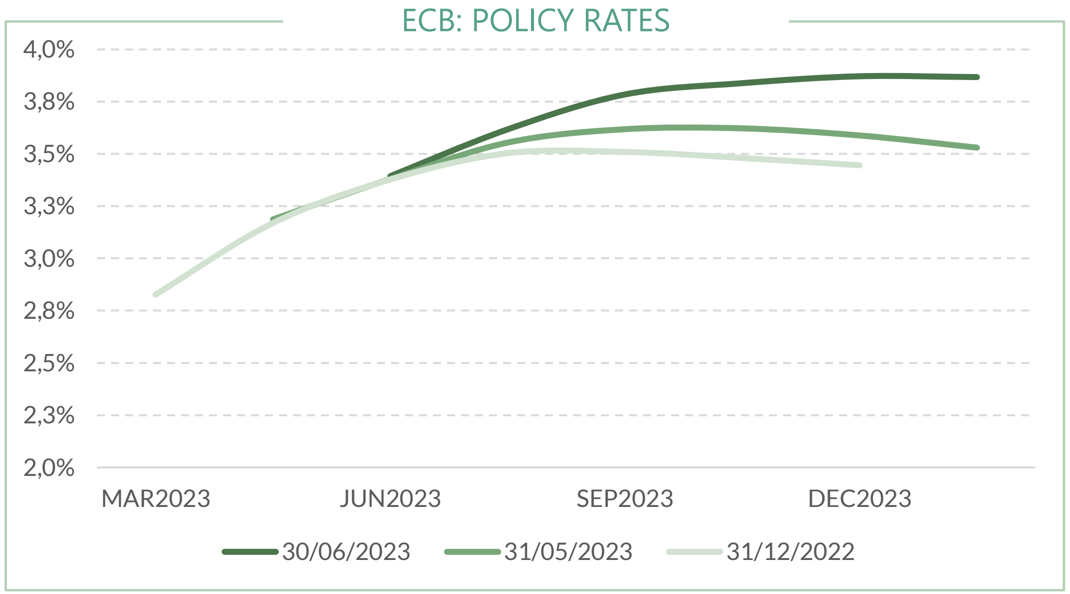
		05/07/2023 CPI YoY	Jun-23	May-23	1Y trend	5Y average	20Y average
Canada	CACPIYOY Index	Canada		3.4		3.3	2.7
U.S.	CPI YOY Index	U.S.		4.0		1.9	3.2
Brazil	BZPIIPCY Index	Brazil		3.9		3.0	7.9
Mexico	MXCPYOY Index	Mexico		5.8		2.6	6.6
Chile	CNPINSYO Index	Chile		8.7		2.9	
Eurozone	ECCPEMUY Index	Eurozone	5.5	6.1		1.7	2.6
Germany	GRCP20YY Index	Germany	6.4	6.1		1.7	2.3
France	FRCPIYOY Index	France	4.5	5.1		1.3	2.0
Italy	ITCPNICY Index	Italy	6.4	7.6		1.6	2.6
Poland	POCPIYOY Index	Poland	11.5	13.0		3.6	
Sweden	SWCPYOY Index	Sweden		9.7		2.0	2.2
Switzerland	SZCPIYOY Index	Switzerland	1.7	2.2		0.5	0.8
U.K.	UKRPCJYR Index	U.K.		8.7		2.2	3.1
India	INFUTOTY Index	India		4.3		3.0	7.9
Indonesia	IDCPIY Index	Indonesia	3.5	4.0		1.4	8.5
Malaysia	MACPIYOY Index	Malaysia		2.8		0.7	
Japan	JNCPIYOY Index	Japan		3.2		0.6	0.3
South Korea	KOCPIYOY Index	South Korea	2.7	3.3		1.2	3.0
China	CNCPIYOY Index	China		0.2		0.9	2.4
Hong Kong	HKCPIY Index	Hong Kong		2.0		0.9	1.5

- Surveys of long run inflation expectations remain fairly muted and barely unchanged
- Inflation break even rates are hovering in narrow ranges, reflecting inflation expectations around 2,25% to 2,5% on a 10-year horizon in the US and Eurozone

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/06/2023

FED & ECB policies
THE END IS NIGH



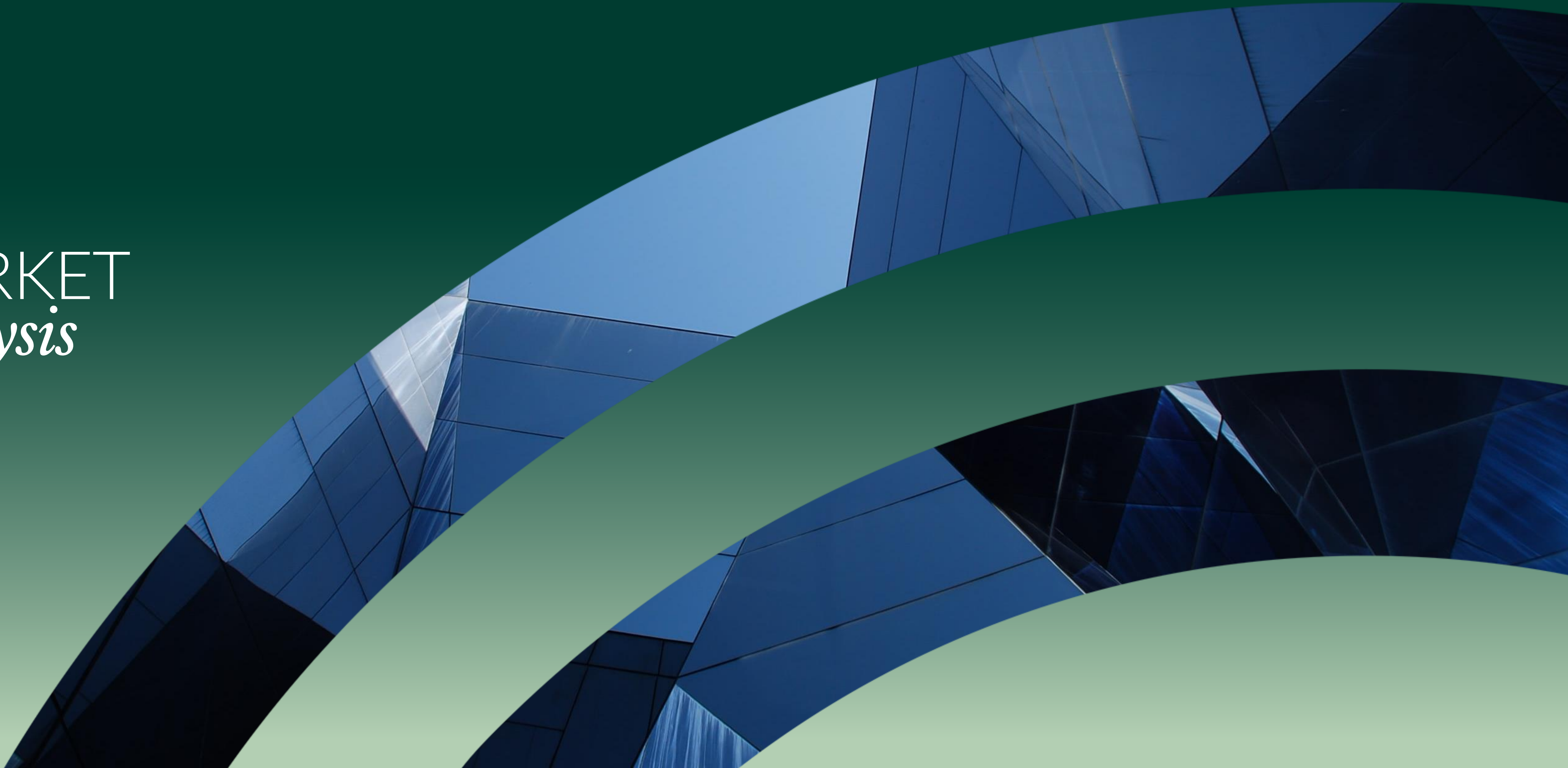


- The FED is likely to add another 25bps to its 500bps hiking campaign at the end of July after a short hawkish pause
- However, this should be the plateau for some time before the central bank starts to cut later in 2024
- The ECB has been quite vocal in order to keep hiking expectations alive. Markets price in 50bps more until September, which could already be overtightening given the speed and unprecedented amount of tightening
- Possible is also an already pre-committed 25bps hike in July and then a pause. But this would certainly require concessions for the hawks via more QT

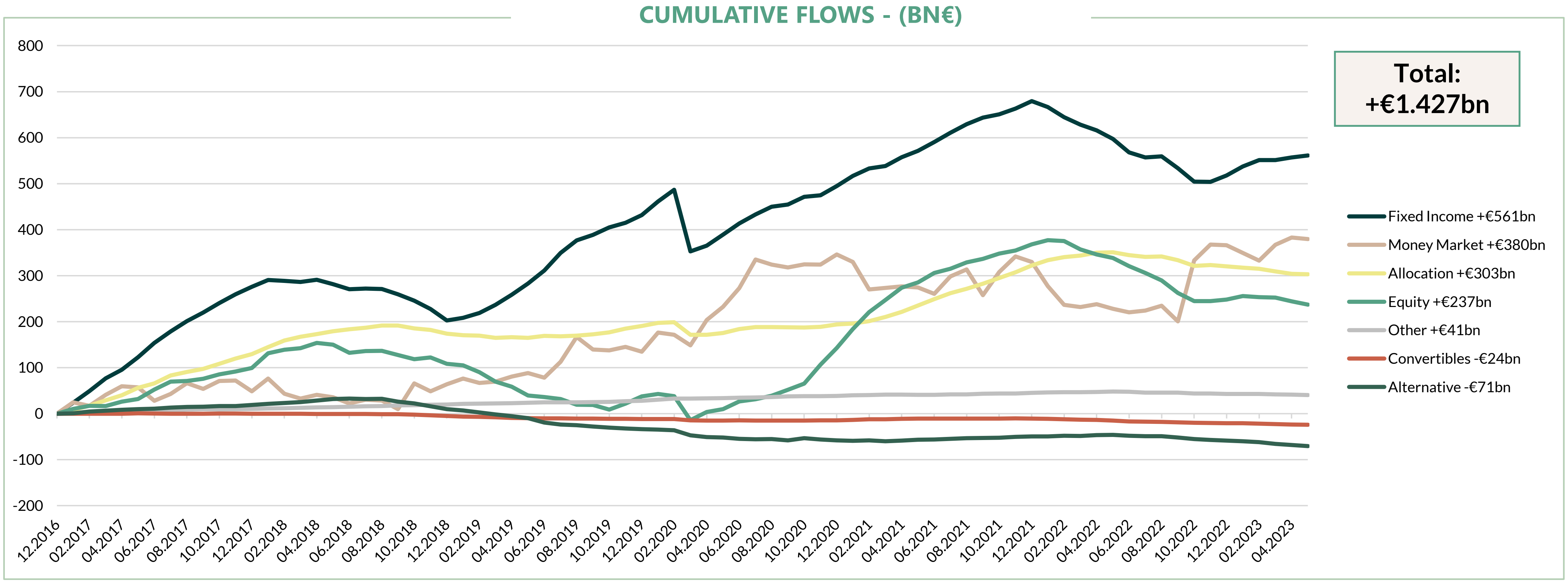
Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/06/2023

02

MARKET *analysis*

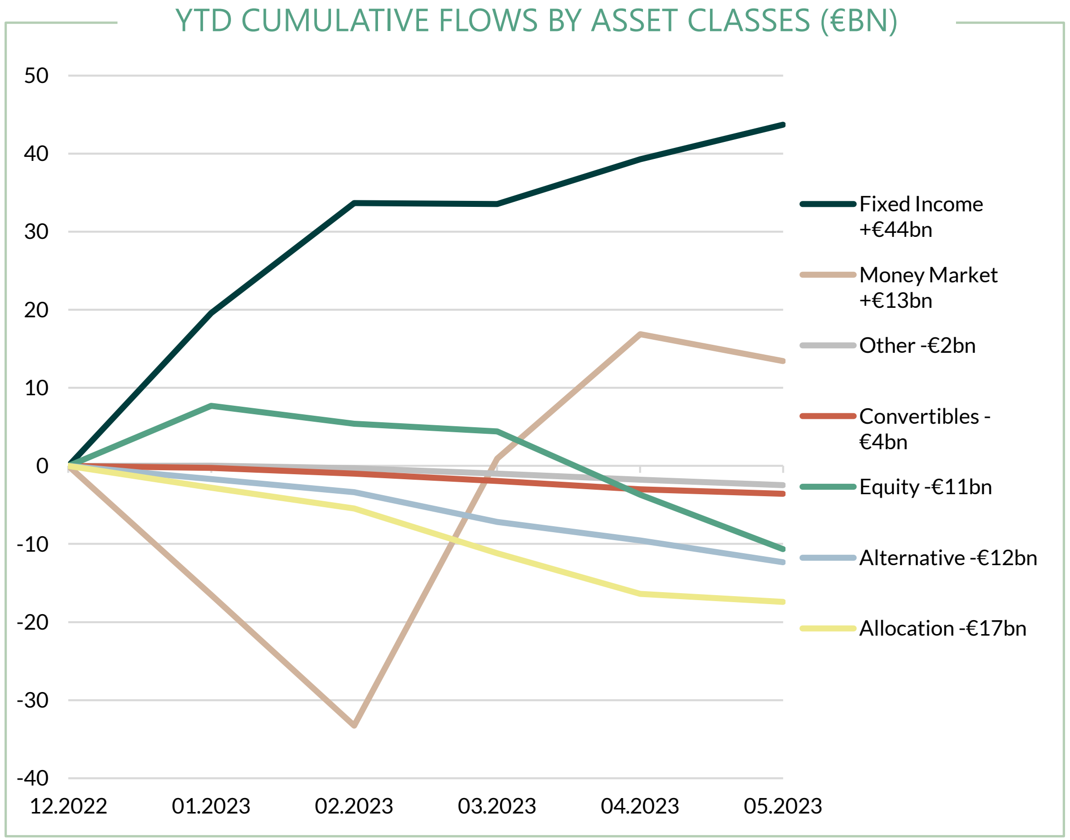


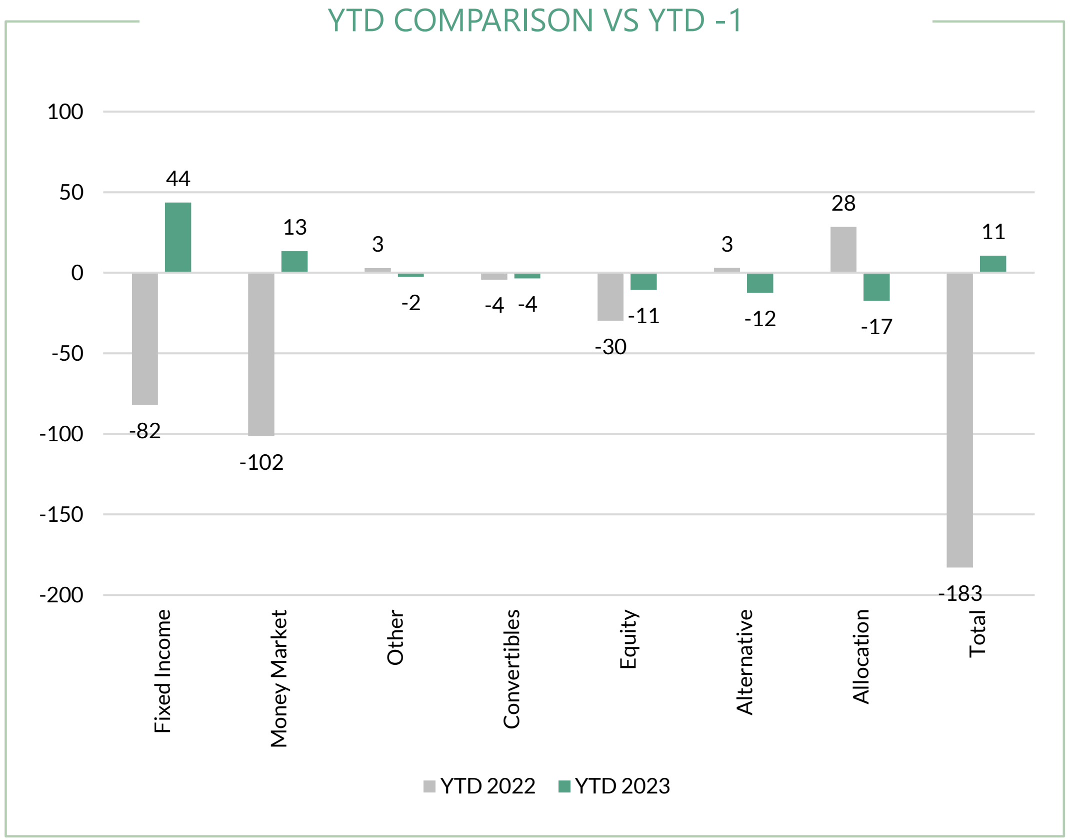
3-year cumulative mutual fund flows (€bn)



Source: Morningstar. Data as of 30/06/2023 (Europe OE ex ETF ex MM ex FoF ex Feeder (domiciled, most compr)

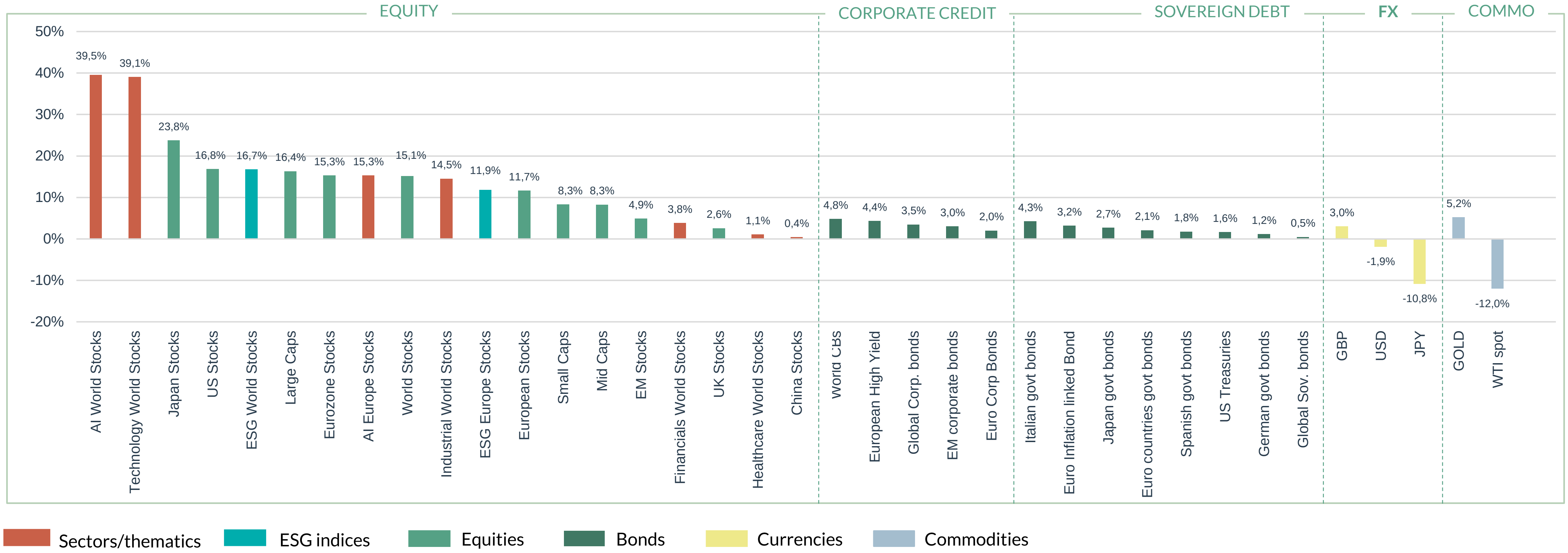
YTD European mutual fund flows





Source : Morningstar. Data as of 30/06/2023 (Europe OE ex ETF ex MM ex FoF ex Feeder (domiciled, most compr)

Year-to-date performances of asset classes



Past performances are not a reliable indicator of future performances and are not constant over time.
Sources: Bloomberg and BoA ML as of 06/30/2023; performances expressed in local currencies

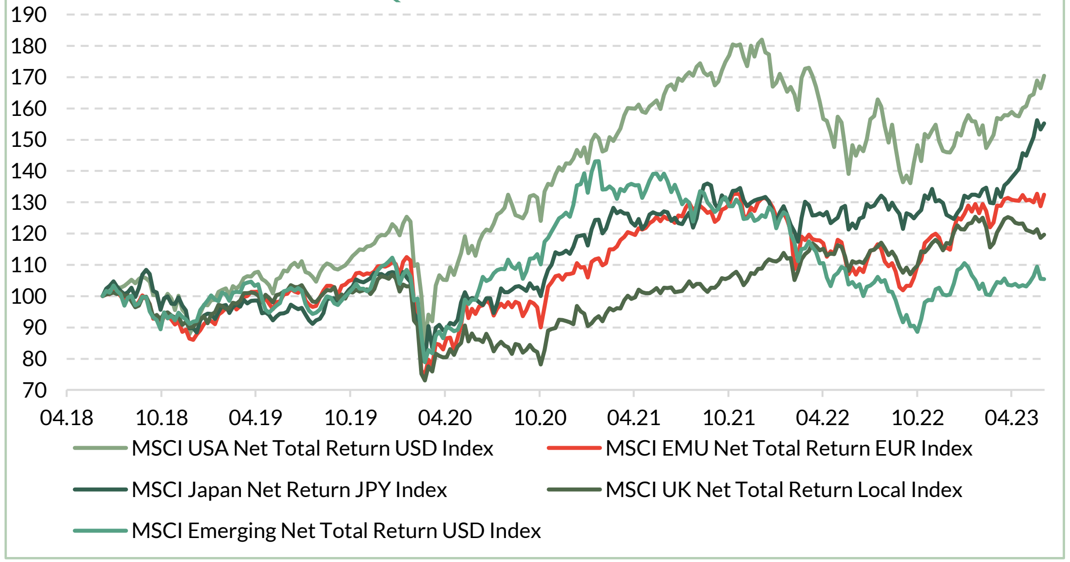
01

EQUITIES

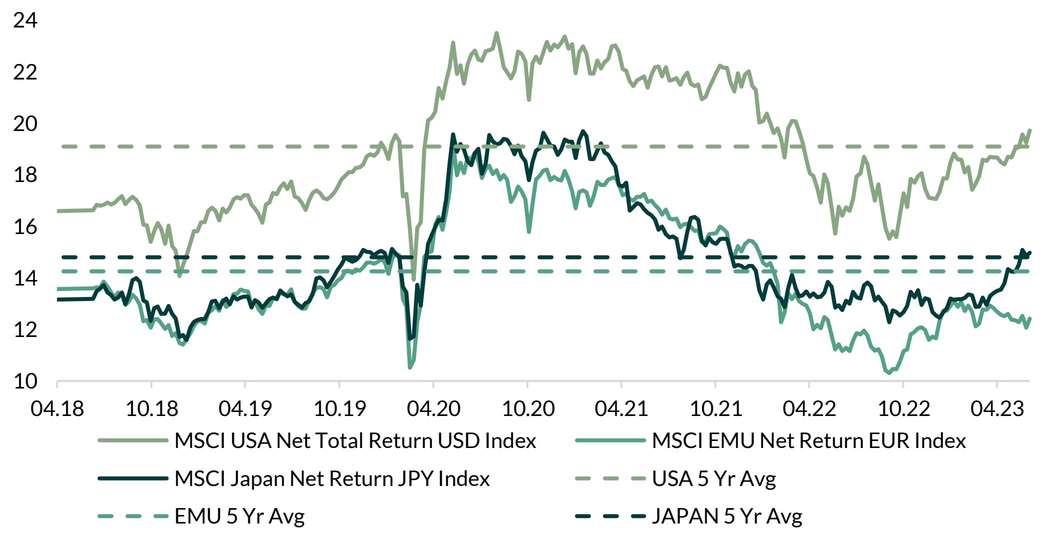
Equities

US AND JAPANESE EQUITY MARKETS TAKING THE LEAD

5-YEAR EQUITY MARKET PERFORMANCE



5-YEAR PRICE/EARNING RATIO



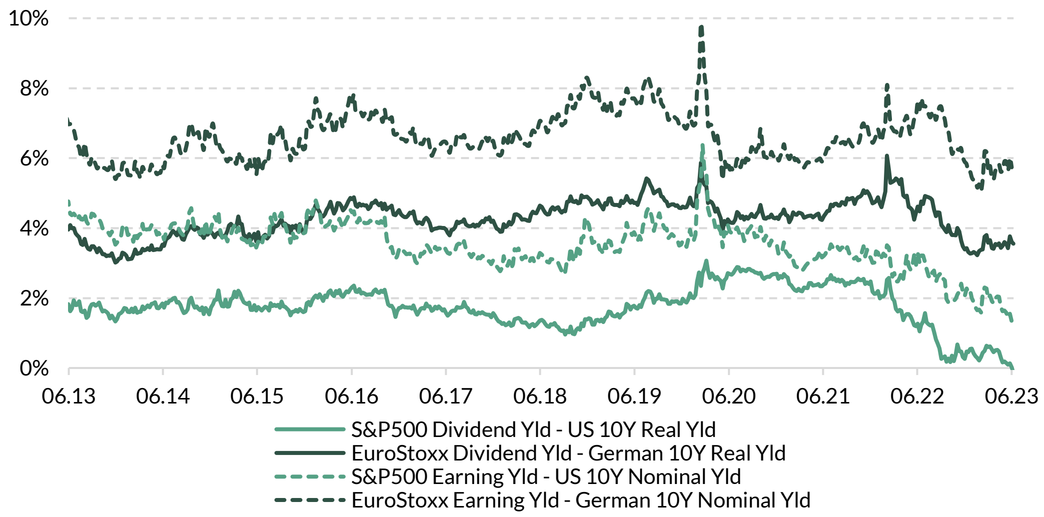
- Global equity markets kept on rallying, with MSCI world (local currency, net return) posting +6% in June and up +15% during 2023 H1.
- The S&P 500 and Topix indexes both jumped 7%, while Europe lagged strongly, with EuroStoxx and FTSE 100 gaining 4% and 1% respectively.
- In the US, small&mid caps overperformed (Russel 2000 +8%, S&PMID400 +9%), while they kept on lagging in Europe (EuroStoxx Small +3%, FTSE250 -1%).

Past performances are not a reliable indicator of future performances and are not constant over time
Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/06/2023

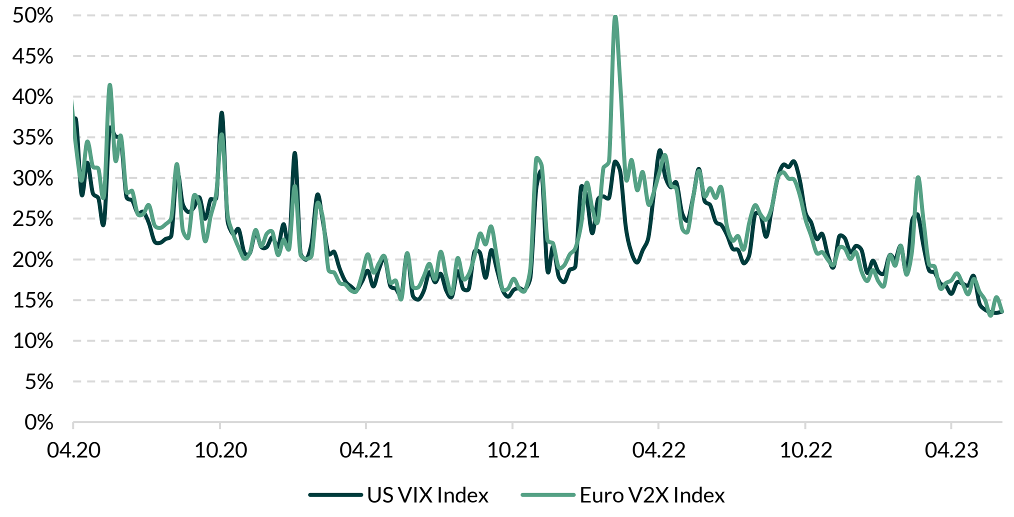
Risk premiums & volatility

DECORRELATION AND COMPLACENCY

EQUITY RISK PREMIUMS (NOMINAL AND REAL)



IMPLIED VOLATILITY INDEXES



- Apart from Japan, equity volatilities reached their lowest points since Covid.
- With US nominal yield moving higher, and expected inflation and estimated earnings stable, real risk premium in the US equity market plunged to the lowest levels for 15 years
- S&P500 12-month forward dividend yield moved below the real yield offered by US 10-year inflation indexed bonds; a first since autumn 2007
- One should note that the current extreme lows of indices' volatility are consequences of correlations between individual stocks being at decades lows. At the individual stock level, volatilities remain decently high.

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Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/06/2023

European equities – sectors overview

CYCLICALS KEPT OVERPERFORMING, BANKS REBOUNDED

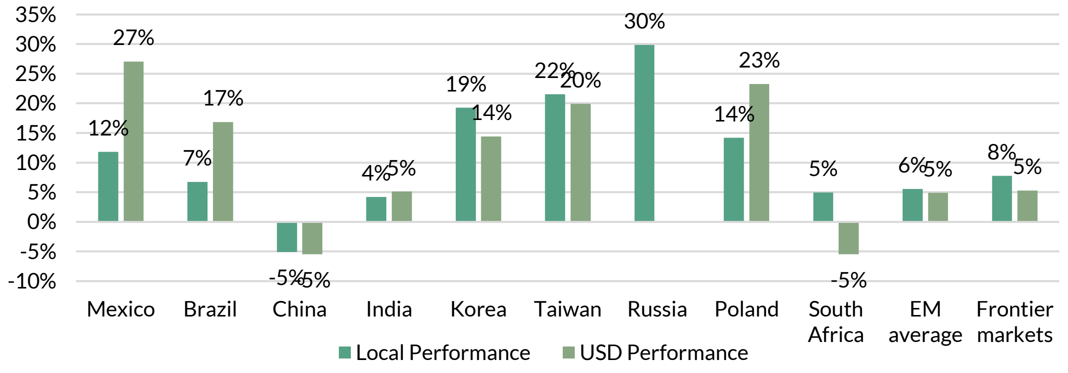
EUROPEAN SECTORS	WEIGHT	Performance		EPS Growth		VALUATION				
						P/E 12m	Div Yield	FCF Yield	EV/EBITDA	Price/Book
	%	1m %	YTD %	2023	2024	12m	12m	12m	12m	12m
STOXX Europe 600		1.2%	9%	2%	7%	12.4x	3.6%	5.7%	8.5x	1.7x
Commodities										
Energy	4.6%	0.1%	-4%	-26%	-2%	6.9x	5.3%	12.2%	3.3x	1.1x
Basic Resources	2.5%	1.8%	-13%	-36%	-4%	9.0x	5.6%	8.3%	4.9x	1.1x
Cyclicals										
Automobiles & Parts	2.9%	5.4%	21%	-4%	4%	6.1x	5.1%	10.3%	5.1x	0.8x
Chemicals	2.7%	-0.6%	4%	-27%	16%	15.8x	3.4%	5.0%	8.7x	1.8x
Construction & Materials	3.9%	2.1%	15%	-1%	10%	13.7x	3.3%	6.9%	7.8x	1.8x
Industrial Goods & Services	14.3%	1.9%	15%	-4%	9%	16.6x	2.6%	5.5%	9.8x	2.7x
Media	1.8%	3.8%	9%	6%	12%	15.9x	2.9%	6.1%	10.2x	2.7x
Technology	8.0%	1.2%	24%	50%	18%	22.8x	1.3%	3.1%	15.1x	4.0x
Travel & Leisure	1.5%	0.8%	27%	107%	30%	15.8x	1.6%	5.7%	7.7x	2.7x
Consumer Products and Services	6.9%	2.5%	23%	9%	17%	24.3x	1.9%	4.0%	13.7x	4.3x
Financials										
Banks	8.5%	5.5%	11%	24%	5%	6.3x	7.4%	-		0.7x
Insurance	5.0%	-0.6%	1%	40%	10%	9.1x	5.9%	5.2%	30.2x	1.4x
Financial Services	3.8%	-0.1%	5%	41%	7%	11.4x	3.5%	-	8.0x	1.3x
Real Estate	1.6%	-1.1%	-9%	-13%	3%	12.8x	5.3%	6.1%	20.4x	0.7x
Defensives										
Health Care	15.4%	-1.2%	5%	8%	14%	17.2x	2.5%	5.1%	12.2x	3.2x
Food Beverage and Tobacco	6.3%	-0.5%	0%	3%	9%	15.3x	3.5%	5.9%	11.1x	2.4x
Personal Care Drug and Grocery Stores	2.2%	0.8%	7%	2%	11%	15.9x	3.3%	5.9%	8.7x	2.7x
Retail	1.2%	7.5%	23%	7%	17%	16.2x	3.3%	5.9%	7.7x	2.6x
Telecommunications	2.7%	-3.4%	4%	5%	12%	12.5x	5.2%	11.1%	6.0x	1.1x
Utilities	4.1%	1.4%	8%	-3%	1%	12.9x	4.7%	-1.1%	7.8x	1.6x

Past performances are not a reliable indicator of future performances and are not constant over time
Sources: ODDO BHF AM SAS, Goldman Sachs, 30/06/2023

Emerging markets

THE TECH RALLY FADED, REBOUND FROM CYCLICALS

YTD EQUITY PERFORMANCE ON MAJOR EMERGING MARKETS

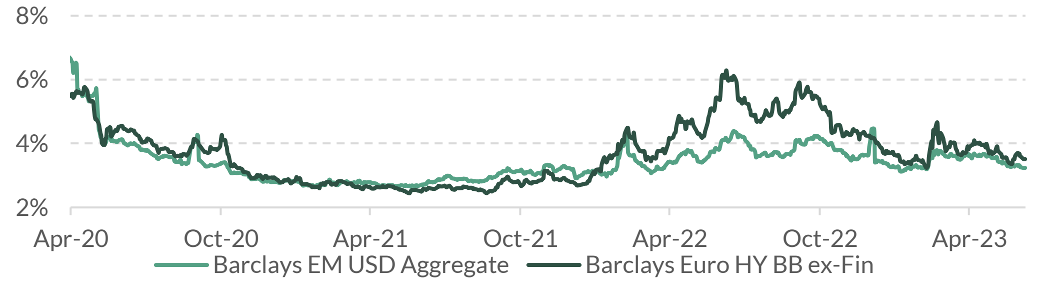


EPS (INCLUDING LOSSES) GROWTH & PE (LOCAL CURRENCY)

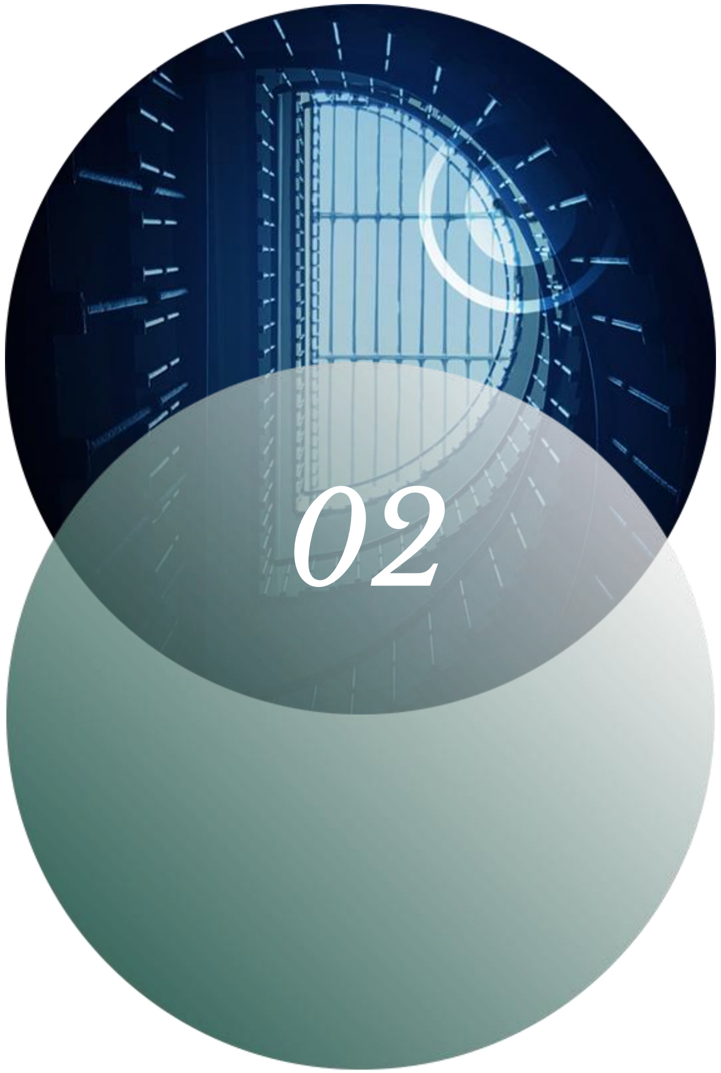
Emerging	PE 12mth fwd	Current Fiscal Year est EPS Growth	Next Fiscal Year est EPS Growth	Dividend Yield (trailing 12m)
MSCI EM	13.5	-63%	19%	2.9%
MSCI CHINA	11.1	11%	15%	2.5%
MSCI KOREA	17.5	-41%	67%	1.6%
MSCI INDIA	22.4	19%	17%	1.3%
MSCI INDONESIA	15.2	-7%	9%	4.5%
MSCI PHILIPPINES	13.2	12%	13%	2.3%
MSCI MALAYSIA	14.0	7%	10%	4.4%
MOEX Russia Index	*3.7*	*-16%*	*43%*	*10.1%*
WSE WIG INDEX	8.2	-23%	-3%	3.2%
MSCI TURKEY	5.8	-3%	19%	2.8%
MSCI SOUTH AFRICA	10.9	1%	19%	4.4%
MSCI BRAZIL	8.1	-23%	4%	6.5%
MSCI COLOMBIA	5.1	-15%	0%	10.4%
MSCI MEXICO	12.5	10%	7%	3.6%

- While Chinese markets seemed to stabilize (MSCI China +4%) and emerging markets on average fared quite in line with global equities (MSCI EM TR +4%), dispersion was still strong.
- Bovespa gained 9%, with BRLUSD jumping 6%, making Brazilian equities outstanding over June. Banking-heavy eastern-European indices also posted strong returns (Warsow WIG20 +9%).
- CNY lost -1% vs USD and is now close to -5% YtD.

EM DEBT SPREADS VS. BB INDUSTRIAL CORPORATE BOND SPREADS IN EUR



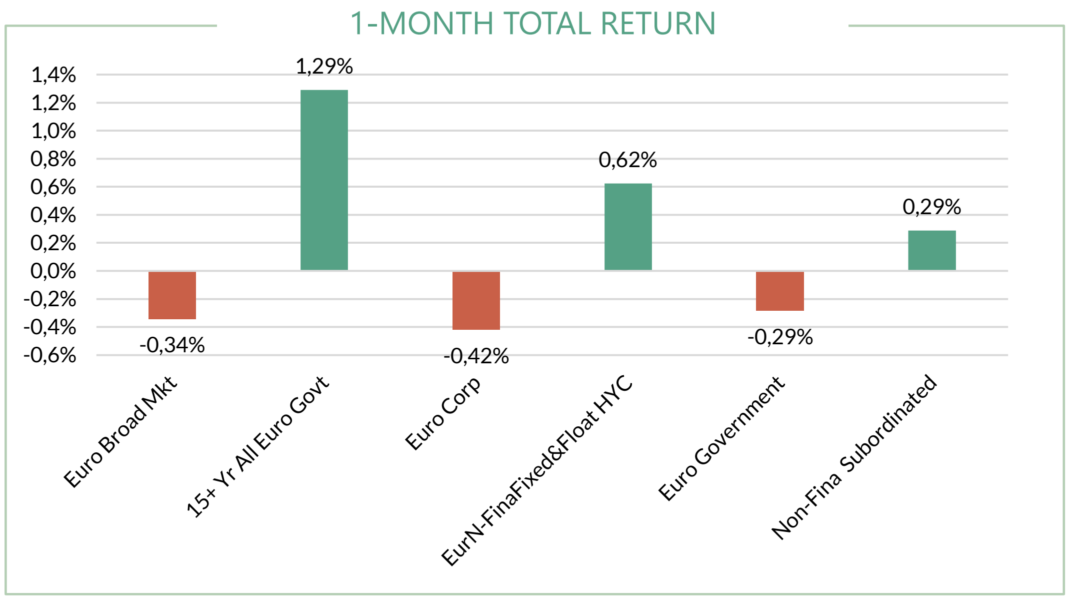
Past performances are not a reliable indicator of future performance and are not constant over time.
Sources: Bloomberg, ODDO BHF AM SAS | Data at 30/06/2023

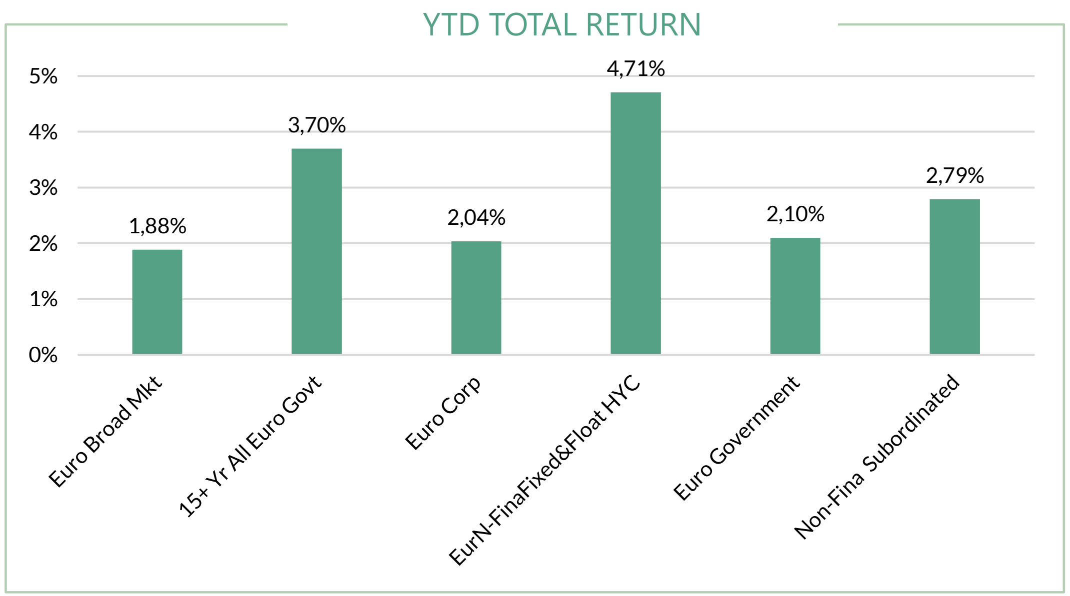


FIXED INCOME

Performance fixed income segment

FURTHER CURVE INVERSION HELPED VERY LONG MATURITIES



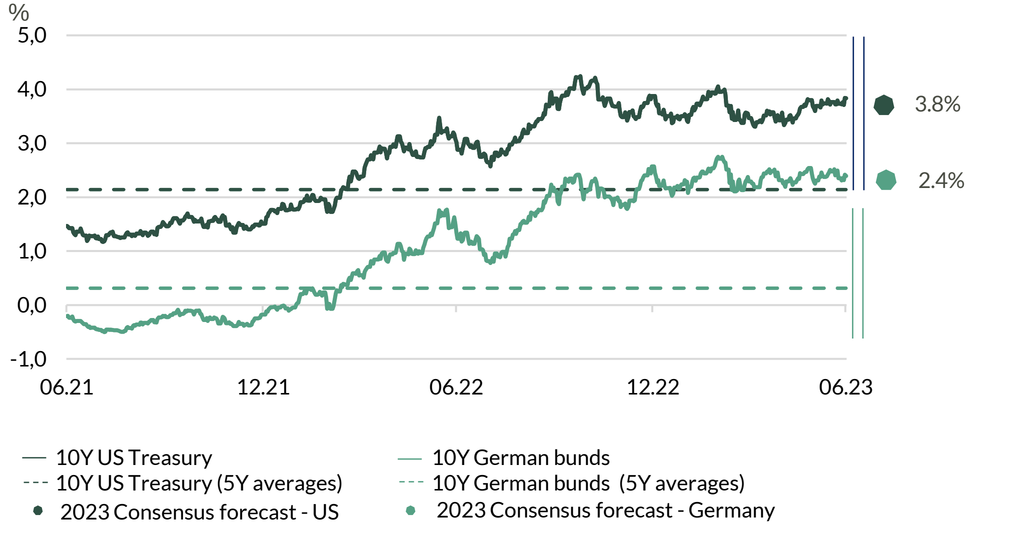


Past performances are not a reliable indicator of future performances and are not constant over time
Source: ODDO BHF AM, Bloomberg, data as of 30/06/2023

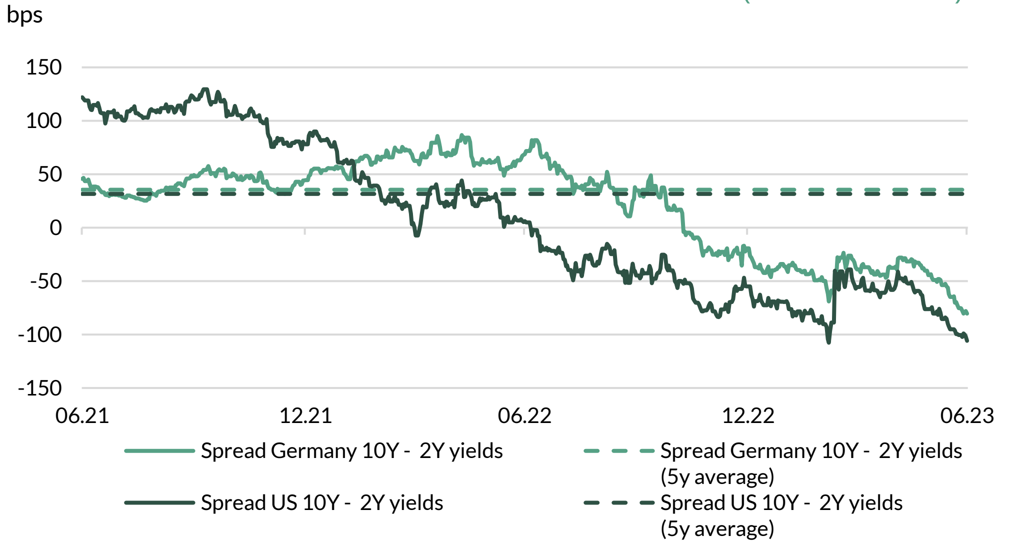
Rates

CENTRAL BANKS SPOOKED BOND INVESTORS

GERMAN & US 10-YEAR BOND YIELDS (OVER 2 YEARS)



GERMAN & US 2 YEAR – 10-YEAR YIELD CURVE (OVER 2 YEARS)

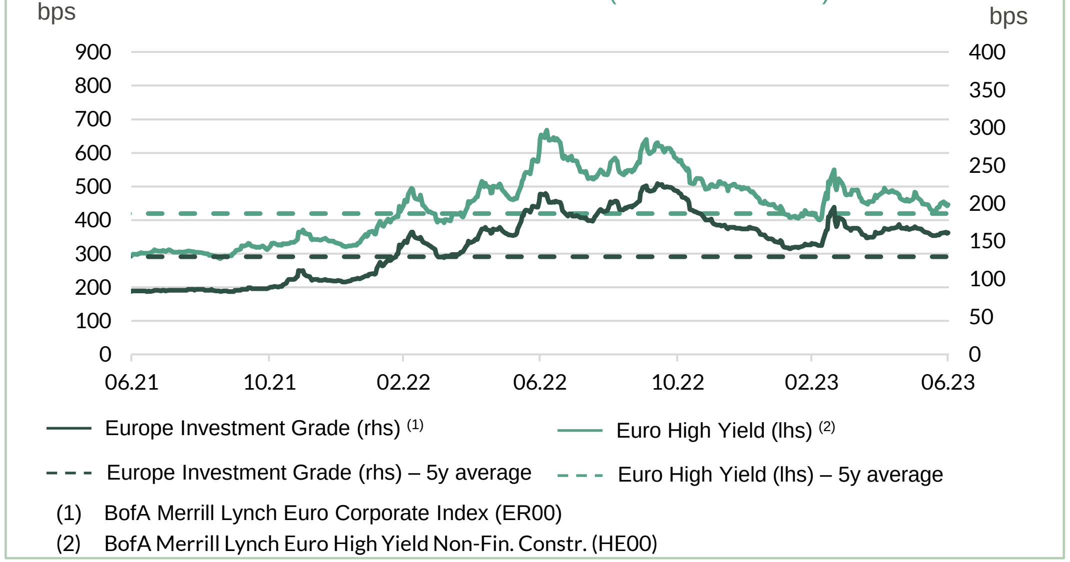


- Quite hawkish major Central Banks and resilient data in the US led to a meaningful repricing of terminal rates
- Yields partly surpassed their ranges and curves inverted to levels last seen more than 30 years ago
- After adjusting to higher terminal rates bonds appear attractive with disinflation accelerating and growth at best flat
- We continue to actively underweight the 30-year sector vs 10-years, but stay neutral on 10-2 years for the time being in Eurozone rates

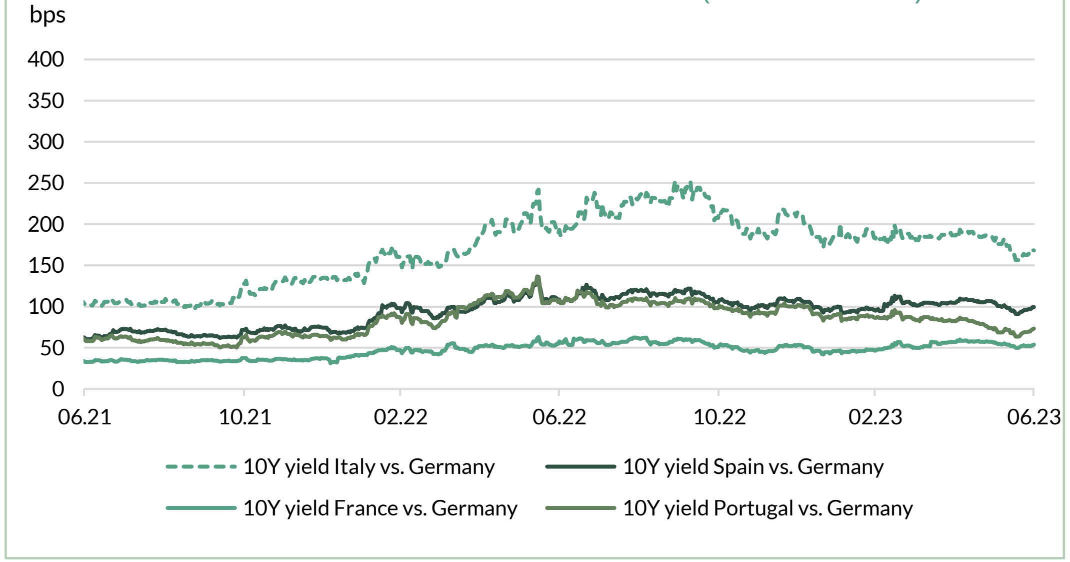
Past performance is not a reliable indicator of future performance and is not constant over time.
Bloomberg Economic Forecast | Sources: ODDO BHF AM SAS, Bloomberg | LHS: Data as of 6/30/2023; RHS: Data as of 06/30/2023

Credit Spreads
SELECTIVITY FIRST

CREDIT SPREADS IG & HY (OVER 2 YEARS)



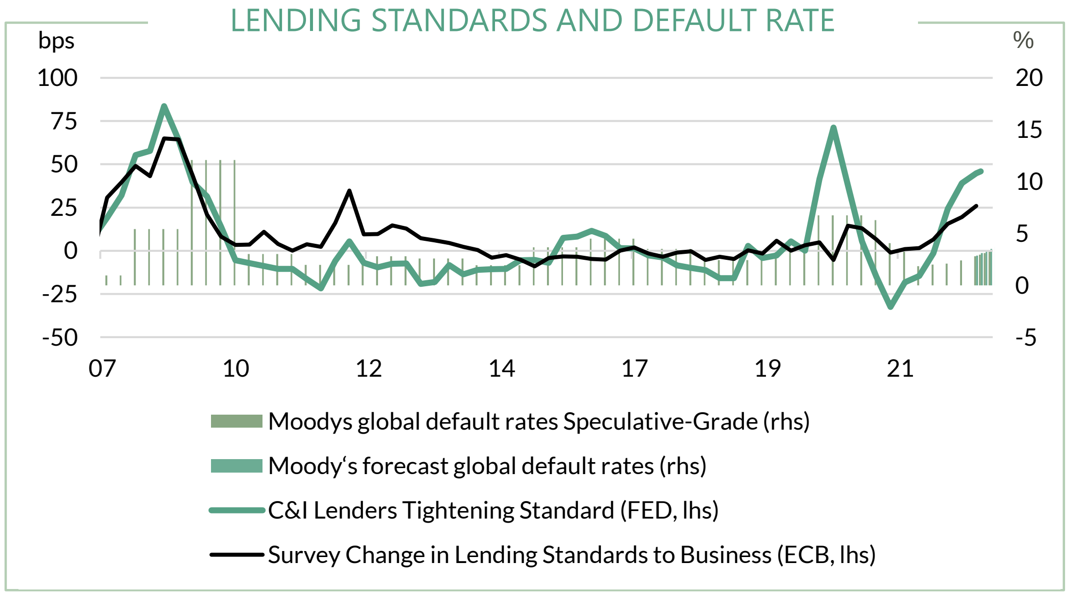
MAIN EUROZONE COUNTRY SPREADS (OVER 2 YEARS)

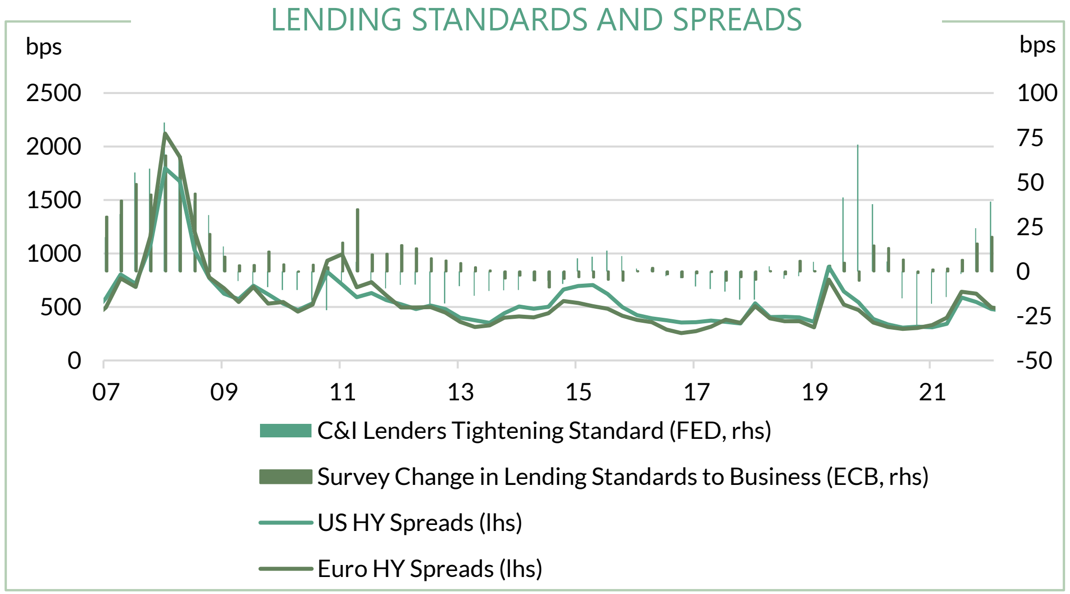


- Credit spreads have tightened slightly with new supply being well absorbed
- Current spread levels around 155bp for Investment Grade bonds are still attractive as long as the economic backdrop remains relatively resilient
- High yield bonds are more challenged by the underlying banking issues and market liquidity problems
- Peripheral spreads have decoupled from risk sentiment until the end of June, but then widened slightly as some carry trades might have been unwound

Past performance is not a reliable indicator of future performance and is not constant over time.
Sources: ODDO BHF AM SAS, Bloomberg │ Data as of 06/30/2023

Financial conditions
WHO IS RIGHT?





- The large gap between credit based surveys (showing a massive tightening in credit conditions) and market based financial conditions (signaling a green light) remains large

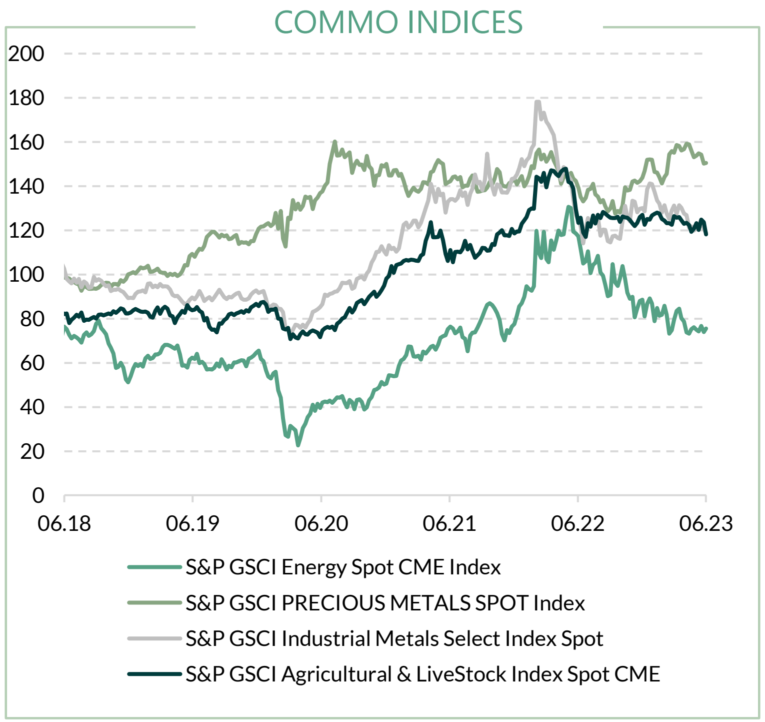
Source: Fed, ECB, Bloomberg | Moody's as of 04/30/2023, Lending Standard & Survey Change as of 03/31/2023, Spreads as of 06/30/2023

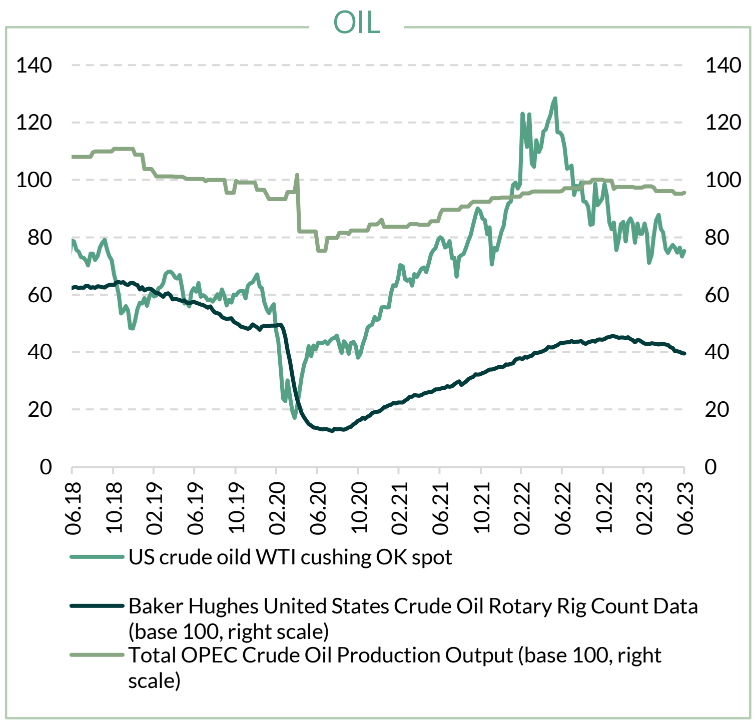
03

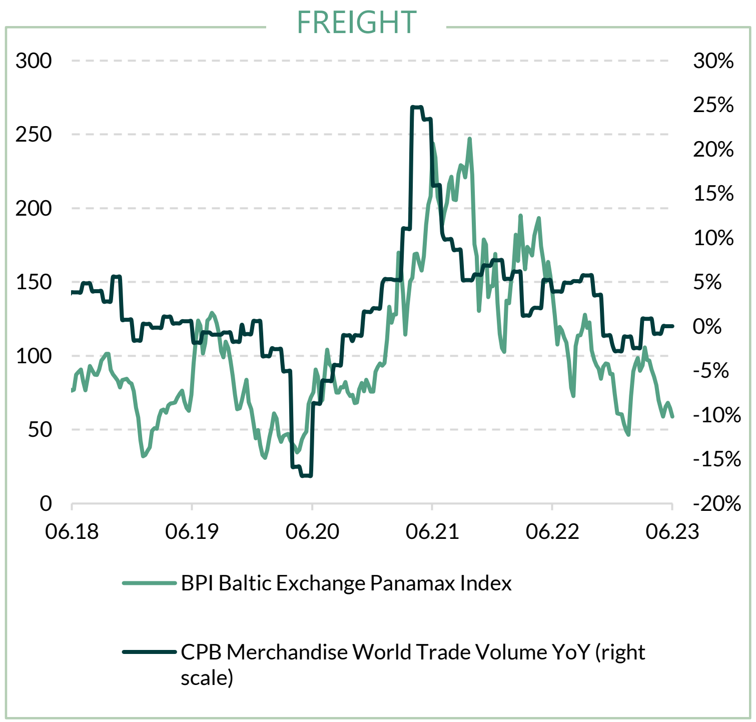
COMMODITIES & CURRENCIES

Commodities

LOWER DEMANDS, DWINDLING SUPPLIES, STABLE PRICES





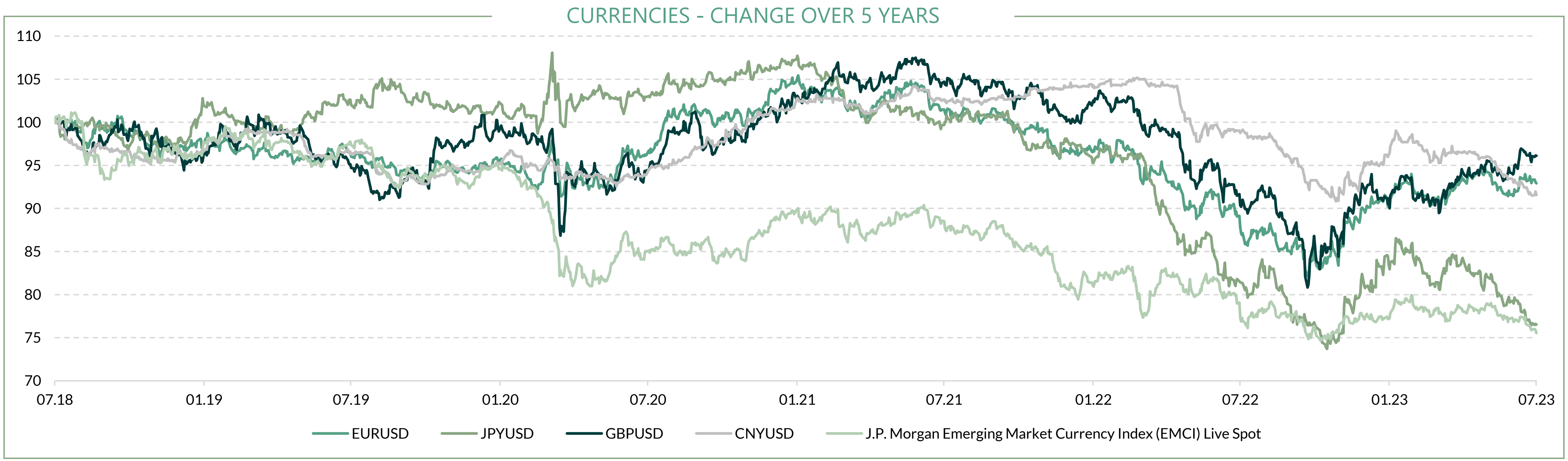


- After 7 months of declines, the GSCI Energy index surged 6% in June, led by US gas futures
- GSCI Industrial Metals was flat over the month, with a sharp rebound of Iron ore.
- Agro&Livestock index was slightly up, with soy prices strongly pushed up by a protracted central US drought.

Past performances are not a reliable indicator of future performance and are not constant over time.
Sources: Bloomberg, ODDO BHF AM SAS | Data at 03006/2023

Currencies

BOE FORCED INTO HAWKISNESS BOOSTS GBP



- With the bond market now pricing in that the Bank of England will move rates above 6% in a few quarters, the carry trade massively buoys the sterling.
- On the opposite leg of this trade, the ever cheaper Japanese Yen lost -3.4% vs USD, now closing on levels which prompted action from the BoJ to defend the currency last autumn.
- The upward move in nominal and real US yields also weighted on Gold (-2%).

Past performances are not a reliable indicator of future performance and are not constant over time.
Sources: Bloomberg, ODDO BHF AM SAS | Data at 30/06/2023

03

CURRENT *Convictions*

Scenarios
OUR 6-MONTH VIEW

01 *Central scenario*

Global GDP growth will slow down, but the outlook for the Eurozone has recently improved somewhat: A severe energy crisis was avoided for the time being. In addition, the Chinese exit from the zero-Covid policy should result in a positive impact for global growth and further disinflation. However, central banks remain hawkish, and the full impact of rate increases still has to be seen. In addition, the stress in the banking sector could lead to a more restrictive credit supply potentially triggering a mild recession. On the positive side, corporate earnings are solid revealing economic resilience.

EUROPE

- Growth expectations slightly improved recently given China re-opening and less negative impact from energy prices
- Inflation has mostly like seen the peak, but stays highly elevated and core inflation is sticky
- ECB stays hawkish in order to bring inflation down
- Supply chains are less disrupted

US

- So far, corporate fundamentals and the labor market remain resilient, but economic sentiment is deteriorating
- While inflation has peaked already, the FED remains committed to the goal of price stability
- Massive issuance volumes of the US Treasury could absorb liquidity of bond markets.

STRATEGY

- Increased diversification
- Benefit from attractive valuations for short-term corporate bonds

OVERWEIGHT

- Short Duration Euro Credit (IG + HY)
- Money Market

UNDERWEIGHT

- Overall Equities
- Long duration High Yield and Emerging Markets

70%

02 *Alternative scenario #1*

Leverage crisis, sticky inflation

- A more restrictive credit supply puts pressure on highly levered companies and the overindebted Real Estate sector
- Inflation does not fall to the expected extent, stays sticky despite a weaker economic outlook and hawkish ECB
- Risk over overtightening by central banks
- Market volatility increases

OVERWEIGHT

- Alternative strategies
- Cash

UNDERWEIGHT

- Equities
- Credit

20%

03 *Alternative scenario #2*

Upside scenario

- Sustainable resolution of the stress in the financial system and no repercussions to the real economy
- China re-opening and less disrupted supply chains support global growth, a recession is avoided
- Central banks change their current very hawkish stance as there is substantial relief from inflation figures

OVERWEIGHT

- Equities, incl. Emerging Markets
- High Yield
- Sovereigns

UNDERWEIGHT

- Alternative Strategies
- Cash

10%

Source: ODDO BHF AM, as of July 5th 2023

Our current convictions FOR EACH ASSET CLASS

Change from the last GIC meeting

Equities	OVERALL EQUITIES RECOMMENDATION		-1			
	Large cap Eurozone		-1			
	Mid cap Eurozone		-1			
	Small cap Eurozone			0		
	UK		-1			
	USA		-1			
	Emerging markets			0		
	Japan			0		
	China				1	
Currencies	USD/€ (Direction of the USD)		-1			
	YEN/€ (Direction of the YEN)				1	
	GBP/€ (Direction of the GBP)		-1			
	CHF/€ (Direction of the CHF)		-1			
Commodities	Gold			0		
	Crude oil			0		

Source: ODDO BHF AM, as of July 5th 2023

Our current convictions FOR EACH ASSET CLASS

Change from the last GIC meeting

Government bonds	OVERALL GOVERNMENT BONDS			0		
	Core Europe			0		
	Peripheral Europe		-1			
	USA			0		
Corporate bonds	OVERALL CORPORATE BONDS			0		
	Investment grade Europe			0		
	Investment grade short duration				1	
	High yield credit short duration					2
	High yield Europe			0		
	High Yield USA		-1			
	Emerging markets			0		
Money Market	Developed markets				1	

Source: ODDO BHF AM, as of July 5th 2023

HOW PERFORMANCE ARE CALCULATED

Cumulative fund performance is calculated based on dividends reinvested. Annualised performance is determined on an annual, 365-day actuarial basis. A fund's performance relative to its benchmark index is expressed as arithmetic difference. Static indicators are generally calculated on a weekly tick that is taken on Fridays, or failing that, on the day prior to valuation.

VOLATILITY

Volatility is a risk indicator measuring the level of fluctuations observed in a portfolio (or index) over a defined period. It is calculated as annualised standard deviation of absolute returns within a defined period of time.

CREDIT SPREAD (CREDIT PREMIUMS)

The credit spread is the risk premium or the difference between the yields of corporate bonds and that of sovereign bonds with the same characteristics.

INVESTMENT GRADE

Investment-grade bonds are bonds issued by issuers rated between AAA to BBB- by Standard & Poor's or the equivalent.

HIGH YIELD

High-yield bonds are speculative bonds rated lower than BBB- (Standard & Poor's) or the equivalent.

PE (PRICE-EARNINGS RATIO)

A stock's price-earnings ratio is equal to the stock's price divided by the issuing company's earnings per share. It is also called the "earnings multiple". It depends mainly on three factors: the company's forecast earnings growth, the risk associated with these forecasts, and the level of interest rates.

Our latest publications

INVESTMENT STRATEGIES

- Jan. 23 • On your marks
- Sept. 22 • Carry on
- Jan. 22 • Make 2022 an opportunity
- Sept.21 • "Breathless?"

MONTHLY INVESTMENT BRIEF

- June 23 • Small is beautiful
- May 23 • Choose your side
- Apr 23 • Waiting for a clear signal
- Mar 23 • The "Rentier" is doing better
- Feb, 23 • Europe's comeback and the hope for a near end to the interest rate hike cycle
- Dec, 22 • "And yet..." (a tribute to Charles Aznavour)

MARKET VIEWS

- 15/06/23 • Five topics that move the markets
- 15/06/23 • Consumer stress test
- 17/04/23 • Back to a slight underweight in equities
- 17/04/23 • Growth depends on credit... and vice versa
- 14/03/23 • From TINA to TAPAS: there are alternatives again
- 14/03/23 • European outlook, one year after the "Putin shock"

VIDEOS

- #FocusOn • ODDO BHF China Domestic Leaders
- Podcast • Investment strategy – September 2022 – Highlights
- #LeadWith • Investment Brief H1 2022
- #FocusOn • ODDO BHF Polaris Fund Range
- #Moments • ODDO BHF Green Planet: the ecological transition, a sustainable investment opportunity
- #TalkWith • Ecological transition: challenges & opportunities

SUSTAINABLE INVESTING

Responsible Investment Policy
Basics of sustainable investing
Sustainable investing – ODDO BHF AM's approach
The ecological transition: a sustainable investment opportunity
Human Capital – a factor of resilience & differentiation
ESG: the key to unlocking opportunities in small caps

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