MONTHLY *investment* BRIEF

US election – What to expect from Trump Season 2

Even if the protagonists are already known, the rematch between Joe Biden and Donald Trump will once again captivate the world until 5 November. The two candidates are neck-and-neck in the opinion polls and there is no clear favorite now. In geopolitical terms, such as support for Ukraine or the future of NATO, a second Trump presidency could have some consequences. Although recent history suggests that geopolitical noise typically had little lasting impact on markets, at least in the developed world, as policy and the business cycle prevail, the specter of Trump Season 2 could have a greater impact on investor sentiment in the coming months.

This is because his team is better prepared than during his first term: many economic plans, such as tax cuts or higher tariffs, are waiting to be put in place. But whether they can be implemented depends on the economic situation. This offers less fiscal leeway than in 2016 at the start of Trump's first term. The national debt has continued to rise, the budget deficit has widened, while global growth is lower, and inflation is higher. Meanwhile, both consumer confidence and PMIs have weakened, and bank lending conditions have tightened. Only unemployment has fallen in the last four years.

What does it mean for Europe?

We would like to illustrate the consequences that the Trump-Biden choice could have for Europe by looking at four areas of action for a US administration: trade policy (tariffs), fiscal policy (tax cuts), climate (Inflation Reduction Act) and security (NATO membership).

1. On the economic front, **trade policy** has been at the heart of Trump's first term and has the potential to shape a possible second term. If re-elected, he is considering a minimum tariff of 10% on imports from all countries and 60% on Chinese imports. Will this lead to a new trade war not only with China but also with the EU? While it is hard to assess the extent to which such high-level proposals would be realized, the consequences could be huge, but for both sides. That is because the US is the EU's biggest export market, with a share of just under 20 per cent; conversely, the EU is also the US's biggest export market, with a share of 18 per cent, ahead of China. This mutual dependence should make compromise possible, even if the threat of higher tariffs on EU and China imports could hurt sentiment towards European, German, and Chinese equities. Under a Biden 2.0 scenario, trade escalation risks would be avoided.
2. For Donald Trump, his major **tax reform** is one of the undeniable successes of his first term in office, as he believes it has strengthened the US as an investment location. The federal corporate tax rate fell from 35 per cent to 21 per cent. However, local surcharges are added depending on the state, so the final rate is higher. While Biden wants to raise the federal tax rate to at least 28 per cent, Trump can imagine lowering it to 15 per cent. More fiscal expansion under a Trump administration may play on the bond market nerves but could boost US earnings expectations and sentiment towards consumer plays, Small Caps and Financials. Biden's higher taxes would be detrimental to European companies with a strong presence in the US.
3. In terms of **climate policy**, the switch from Trump to Biden was like a tidal shift. The misleadingly named protectionist US Inflation Reduction Act more than doubled investment in clean technologies. EU companies were also involved, at 17 per cent, encouraged by attractive tax write-offs. In 2023 EU clean technology manufacturers announced USD 12 bn additional investments in the US. If Trump completely reverses this policy (which is far from certain, as Republican states also benefit), sentiment on the renewables/green energy/ESG space may take a hit, in our view. However, our call is that Europe could slightly benefit as IRA led to investment leakage to the US due to its easy-to-handle tax credits. If the Biden policy continues, the pressure of competition and relocation will remain.
4. In terms of **defence policy**, even without the extreme scenario of a US withdrawal from NATO, the EU is likely to increasingly use of industrial policy to scale up its undersized defence industry, although the urgency would be less if Biden were to win the election. The combined defence spending of all European NATO members is expected to amount to 2% of their 2024 GDP. The increase in EU military spending could alter countries' fiscal profiles and benefit equity sectors like Defence/Industrials.

Source: ODDO BHF AM, comments as of 10/05/2024.

How should investors prepare for Trump season 2?

Most observers expect less disruption if Biden wins than if Trump makes a comeback. If history is any guide, though, the 2016 election, which was unexpectedly won by Trump, saw a strong and broad-based risk-on market reaction in the immediate aftermath. Oil, US small caps, EU equities, dollar and rates went up the most. However, this favorable picture for investors cannot be applied to his entire term in office. Trade policy has been a source of disruption, particularly in European industries hit by punitive tariffs, such as the automotive sector. To that extent, European Equities weakness became evident during the heightened trade uncertainty period of January-September 2018. Energy, Luxury Goods and Retail were the only outperformers with positive absolute performance.

What could be the impacts if Trump is elected for a second term?

- **Macroeconomics**: As regards growth, the impact should be slightly positive, but the initial "sugar high" effect could be dampened by imported inflation. As regards inflation, the release of Trump Season 2 would be rather a reflationary call for the US. Nevertheless, the stimulus would need to be big to affect European inflation and growth. As regards rates, our call would be an increasing pressure on the central bank, resulting in looser monetary policy and a steeper yield curve.

- **Asset classes**: A Trump election should support the US dollar, energy stocks, US equities, US Credit, domestic Cyclicals, and should be mostly positive for Small Caps. On the flip side, EU/German/Chinese equities may be seen as the losers. Nevertheless, the impact on European equities and bonds is more nuanced as "Trump risk" is more idiosyncratic than broad-based. Although 25% of the sales of companies in the MSCI Europe come from the US, only 6.4% relate to goods exported to the US (i.e. potentially subject to incremental US tariffs)

- **Sectors**: Taken individually, there are only a few sectors where targeted tariffs could meaningfully affect Europe on a macro scale. As in the first term, the automotive industry is most at risk of falling victim to a trade war, given that import tariffs in the EU are higher than in the US. A 10-point increase in tariffs would drive a 20% volume decline in EU-US exports for all exposed EU car manufacturers. The luxury goods industry, which generates 20% of its sales in the US, would also suffer from higher tariffs as its pricing power has been eroded by inflation. Retaliation against EU countries with a digital services tax aimed mainly at US companies and export restrictions on security-related technologies could hit high-tech companies from key European countries (France, Italy, Spain mainly). Finally, targeted tariffs on medical technology and pharmaceuticals are also a possibility.

Broadly, as we get closer to November 2024, we expect the volatility of European sectors and stocks directly exposed to potential policy changes to rise and divergences in performance to widen. Thus, idiosyncratic risks in these sectors must be monitored in the run-up to the election, as their share prices may react to poll numbers and campaign rhetoric. That is why we stay tuned for teasers and trailers announcing Trump Season 2!

LAURENT DENIZE
Global Co-CIO, ODDO BHF

Source: ODDO BHF AM, comments as of 10/05/2024.

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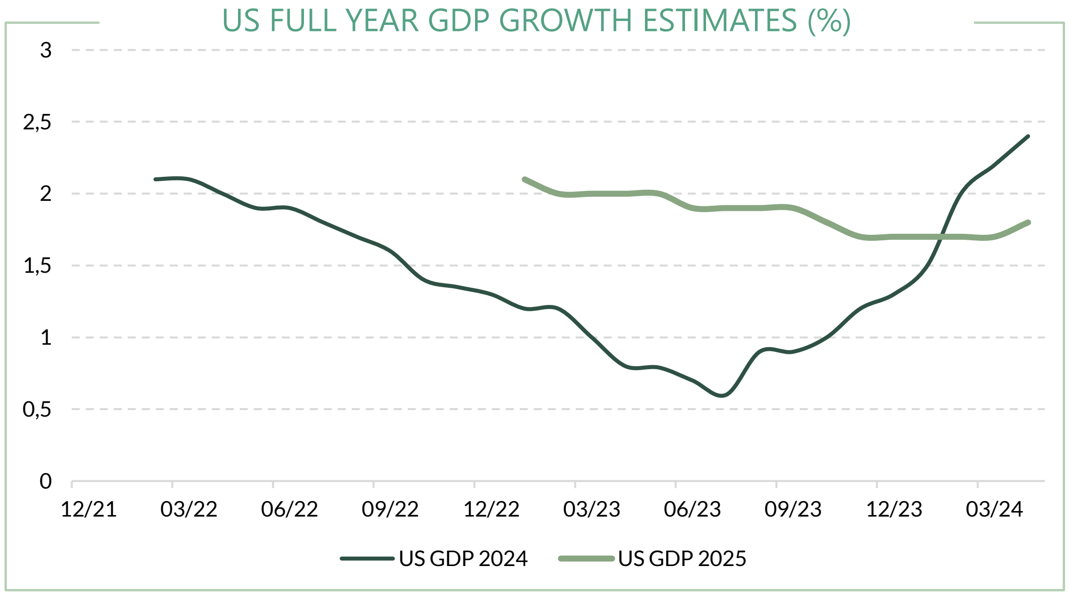
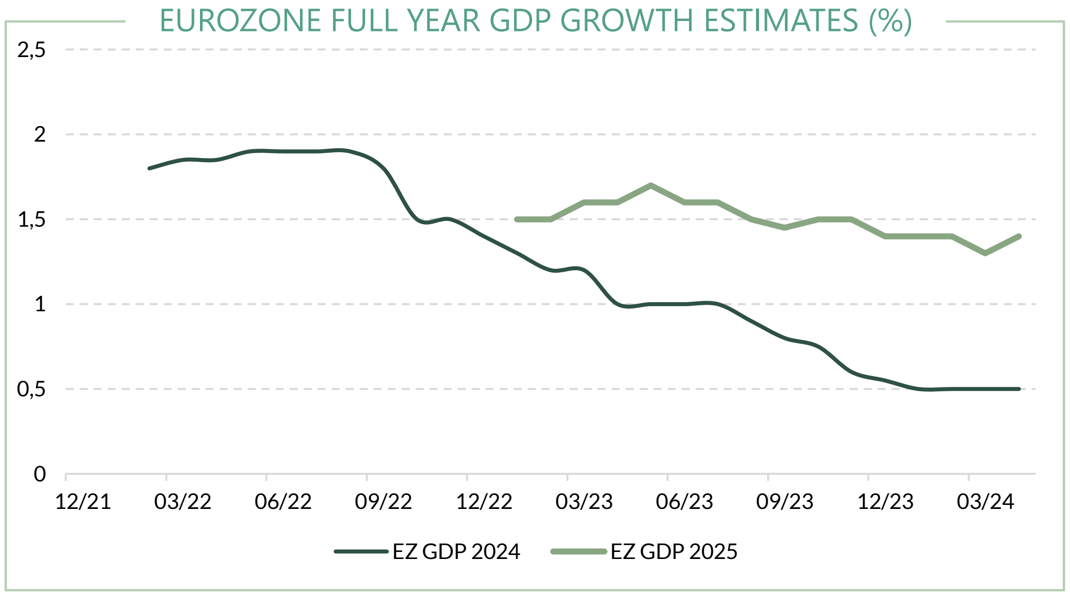
01

MACROECONOMIC *outlook*

Growth outlook

HOW SUSTAINABLE IS THE GROWTH REBOUND?



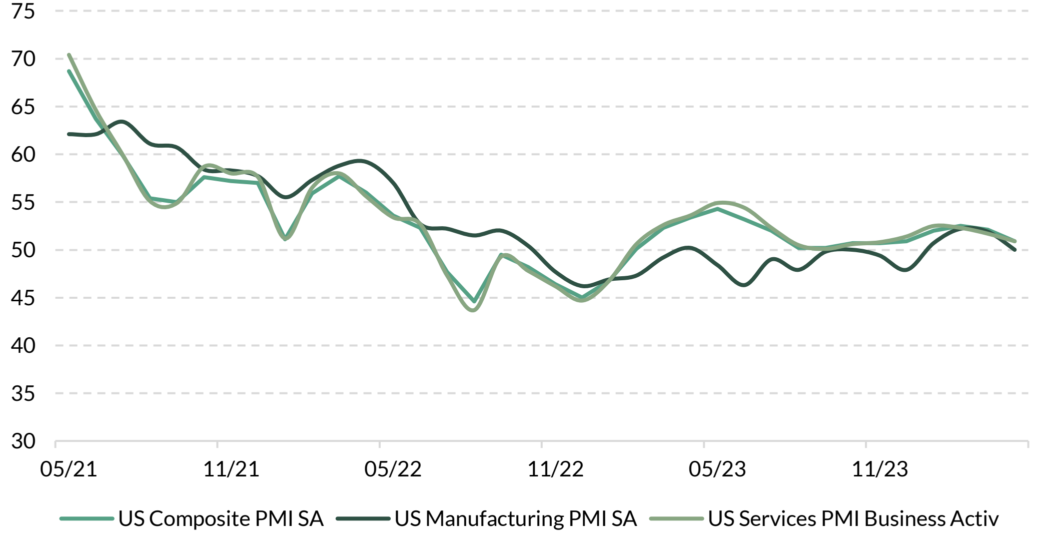


- The US remains in the driver`s seat with 2024 GDP forecasts upgraded to now 2,4% and also 2025 starting to get a lift
- Eurozone projections have at least stabilized around 0,5% for 2024, but are likely to be revised up slightly given some improvement in the data
- Indicators like the global PMI suggest that services momentum continues to improve while industry momentum stagnates

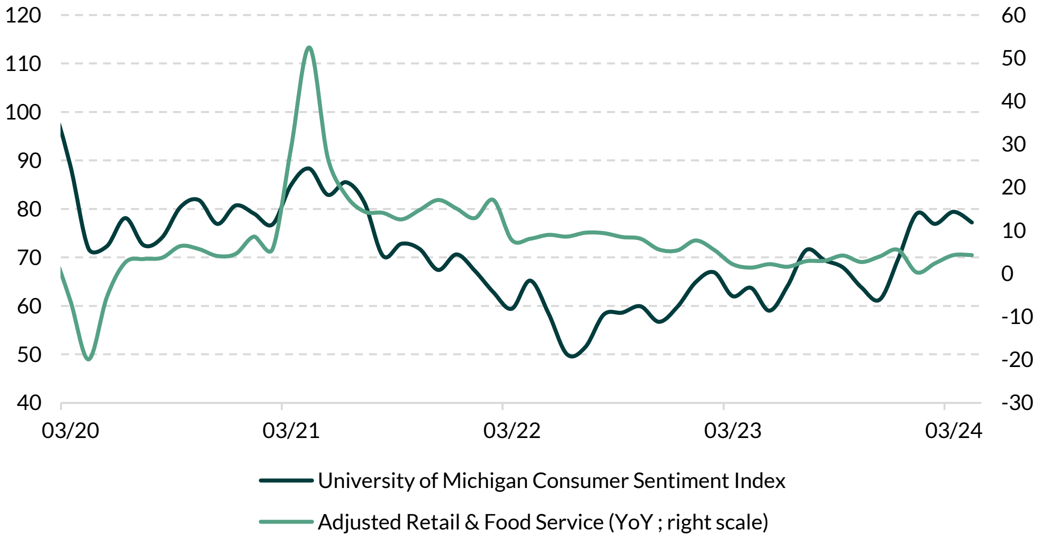
Sources: ODDO BHF AM SAS, Bloomberg | Data as of 02/05/2024

USA
CRACKS BELOW THE SURFACE

PMI SERVICES & MANUFACTURING



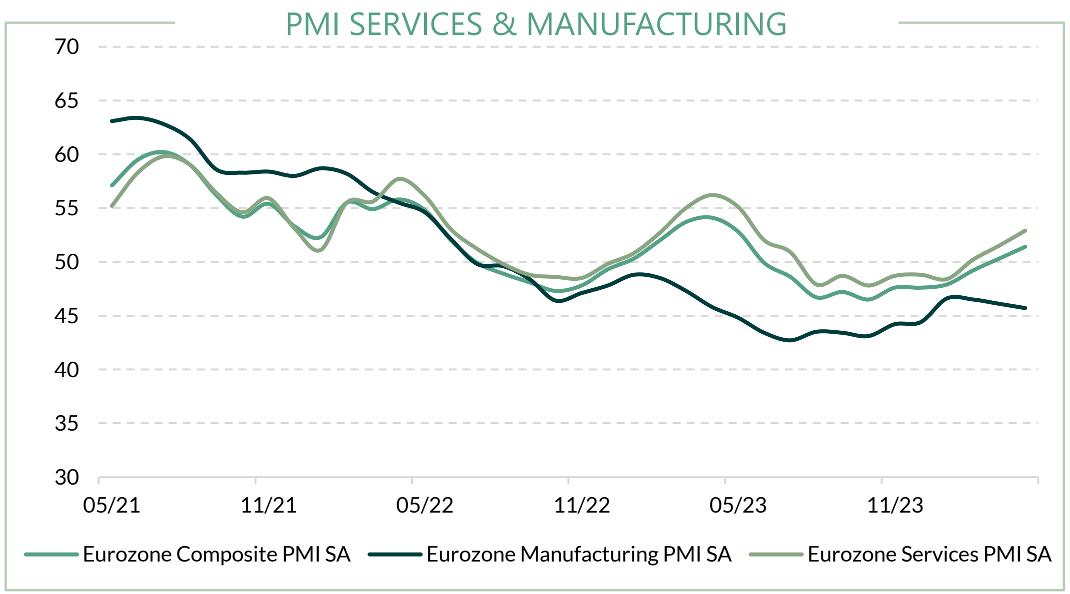
RETAIL SALES & CONSUMER CONFIDENCE

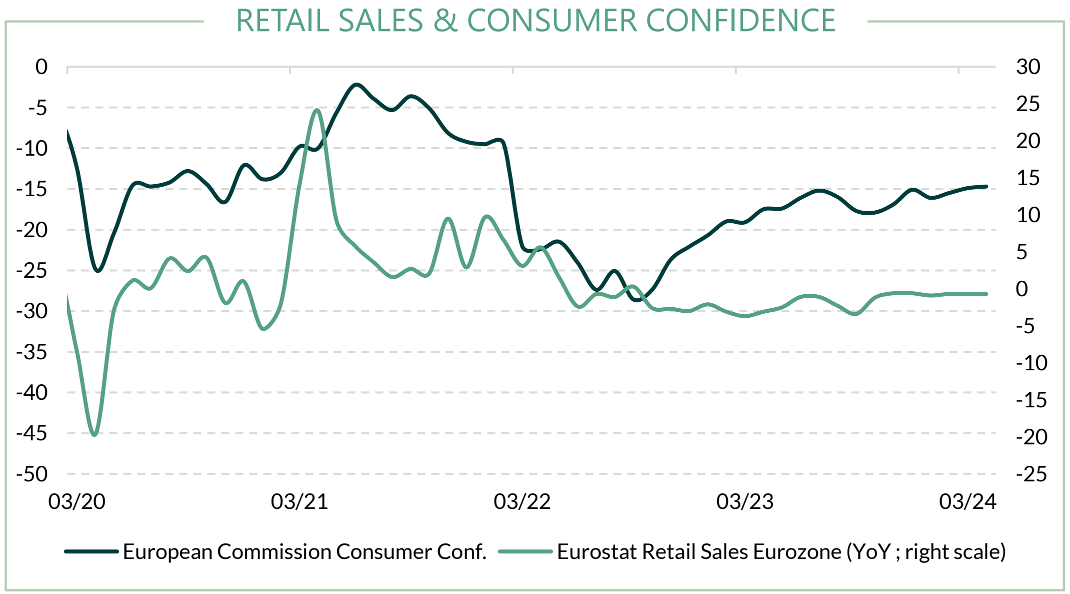


- US growth weakened slightly in Q1 to 1.6% qoq ann. driven mostly by a moderation in trade and inventories. This is likely to be revised upwards again.
- ISM services and manufacturing indicators slipped below 50 in April. Especially the service part posted a collapse in the employment component
- The labor market is still healthy but moderated slightly to a below expectation print of 175k in non-farm payrolls for April. Other indicators show that some deceleration is under way: job openings trend down, the quits rate is slowly increasing, small firms report declining hiring intentions (NFIB) and weakness in the employment components of the ISM and PMI are striking
- While the recent softer US data may be just a normalization we see evidence of a slowly crumbling momentum into year-end

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 02/05/2024

Europe
MORE THAN A FEELING



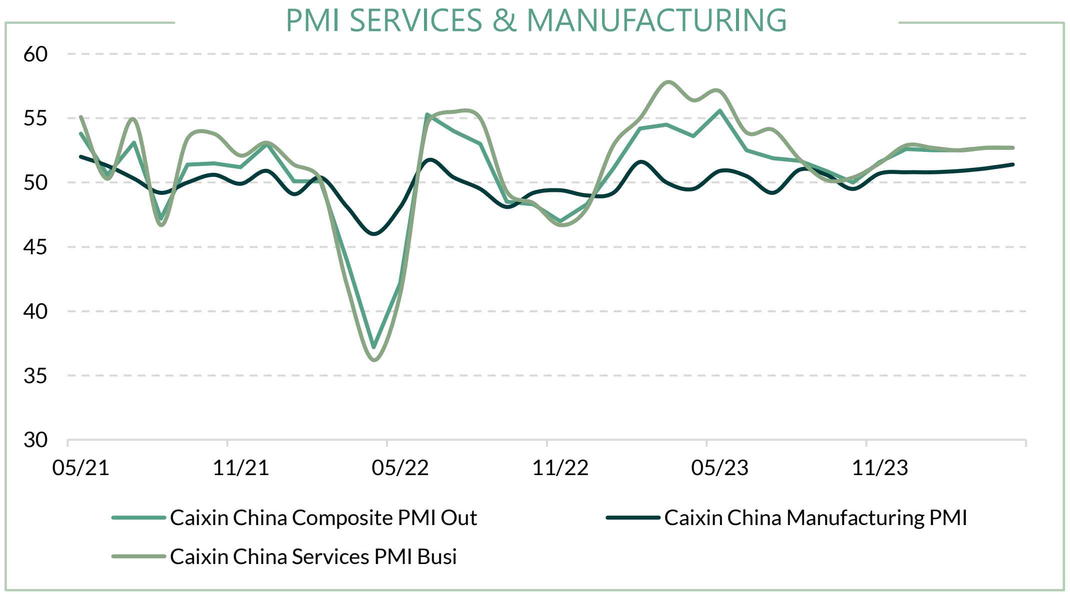


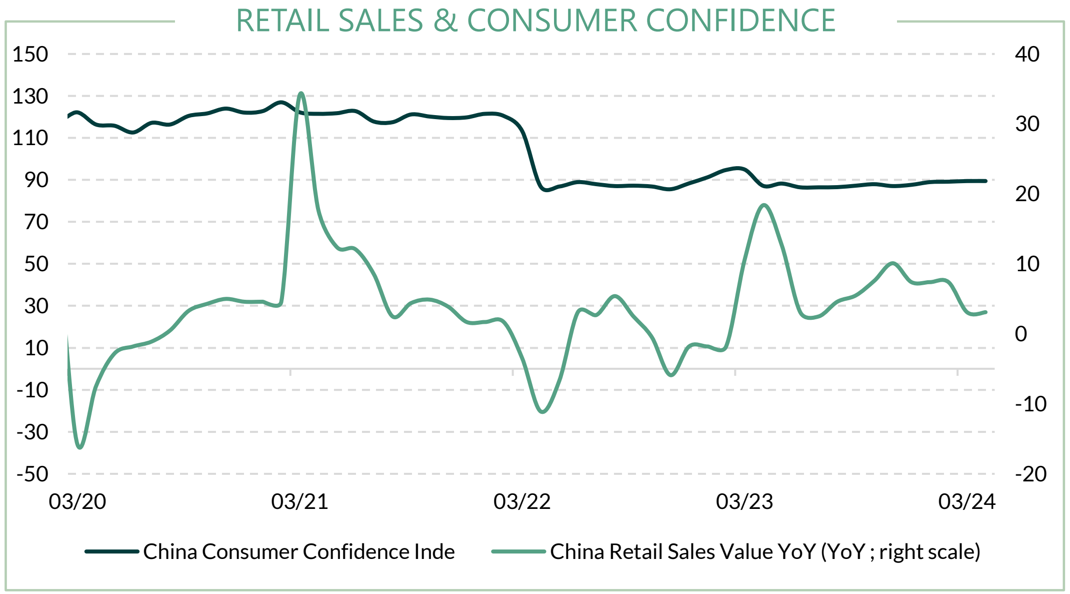
- The economic rebound continued into the 2nd quarter
- GDP in the 1st quarter expanded by 0.3% qoq above expectations. Even Germany posted an 0.2% increase
- The composite PMI has further improved to 51.7 in April. While the strength is mostly based on the service sector, manufacturing also staged a shallow comeback with France and Germany stabilizing
- While better real disposable income, robust labor markets and some inventory restocking may lift the economy further, it is unlikely that such a rebound is sustainable. Fiscal policy, especially in Germany is restrictive, rate hikes are still working themselves through the economy and main trading partners like China are struggling

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 02/05/2024

China

CYCLICAL STABILIZATION BUT STRATEGIC DOWNSIDE



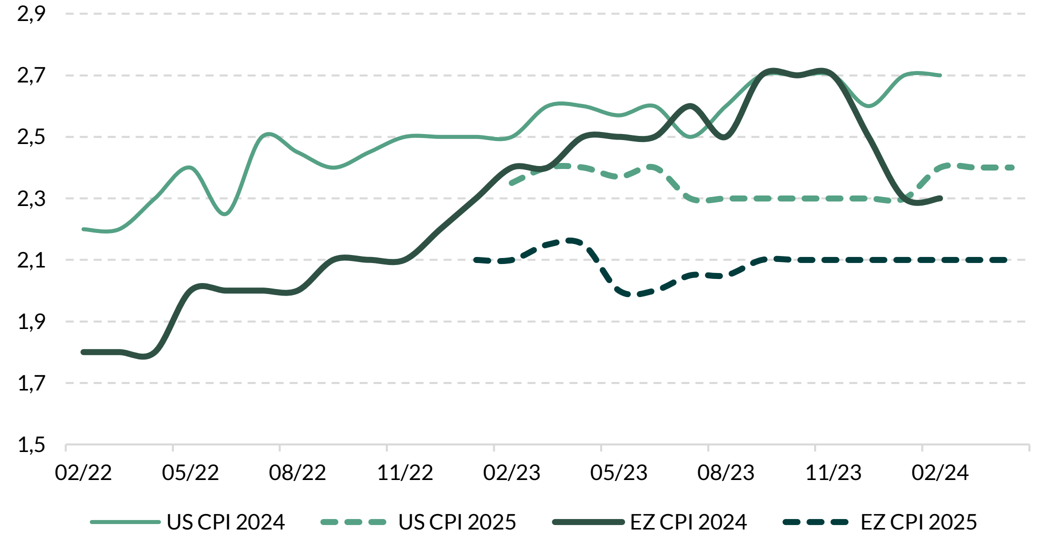


- PMI signal at least a temporary relief as manufacturing and services components have stabilized above 50
- However, property indicators like sales or residential prices are still in a downward spiral
- This structural drag on growth is likely to continue rather for years than months
- Monetary policy has been eased further but with limited impact so far as the economy faces a liquidity trap
- Therefore, the recent growth rebound may be quite temporary and is not backed by domestic consumer demand

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 02/05/2024

Inflation expectations
SIDEWAYS AND ANCHORED

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



YOY CPI ESTIMATES

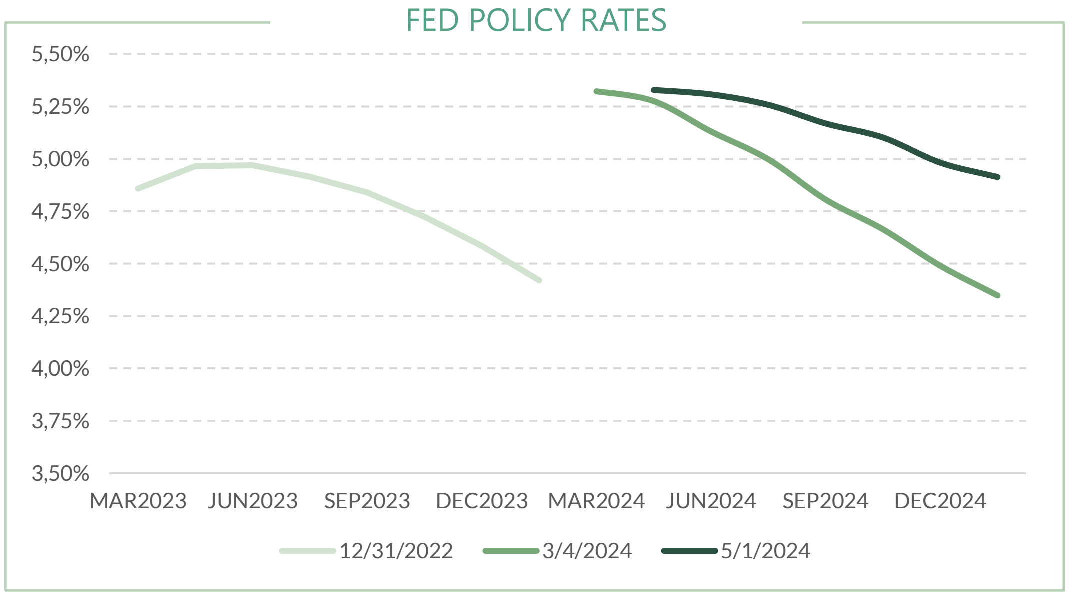
	Headline Inflation Rate (%)	Inflation Rate (%)			Inflation Forecasts (%)		Policy Rate (%)		Money Supply (y/y %)		Output Gap (%)
		Target	Actual	Diff	Annual Forecast	Diff	Nominal	Real	Narrow	Broad	
US	3.5	2.0	2.7	0.7	3.1	1.1	5.5	2	5.59	-0.3	0.5
Euro Area	2.4	< 2.0	2.4	0.4	2.4	0.4	4.5	2.1	-6.7	0.9	-
Japan	2.7	2.0	2.7	0.7	2.3	0.3	-0.1	-2.8	2.1	2.5	1.1
UK	3.2	2.0	3.2	1.2	2.5	0.5	5.25	2.05	-	0.5	-1.0
Canada	2.9	1.0-3.0	2.9	In range	2.5	In range	5	2.1	-1.5	4.89	-0.4
Australia	3.5	2.0-3.0	3.5	0.5	3.3	0.3	4.35	0.85	-20.52	4.95	-1.0
New Zealand	4	1.0-3.0	4.0	1.0	3.2	0.2	5.5	1.5	10.8	4	-2.1
Switzerland	1.4	<2.0P	1.4	In range	1.3	In range	1.5	0.1	-10.15	-1.6	0.6
Denmark	0.9	-	0.9	0.9	2	2	3.75	2.85	3.67	-12.61	2.3
Norway	3.9	2.0	3.9	1.9	3.5	1.5	4.5	0.6	-5.8	-1.3	-0.6
Sweden	4.06	2.0	4.1	2.1	3.1	1.1	4	-0.06	-10.5	-0.14	-1.9

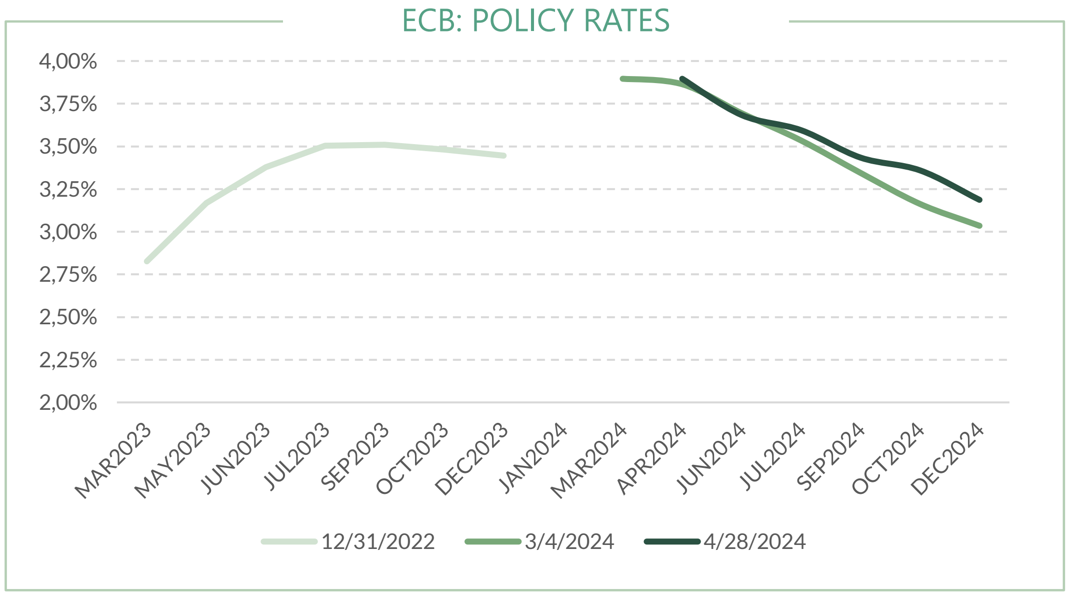
- Firmer inflation prints in the US have not translated into heightened inflation expectations
- Market based break-even rates have inched-up recently but are still trading close within established ranges

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 02/05/2024

FED & ECB policies

FED KEEPS RATE CUT EXPECTATIONS ALIVE



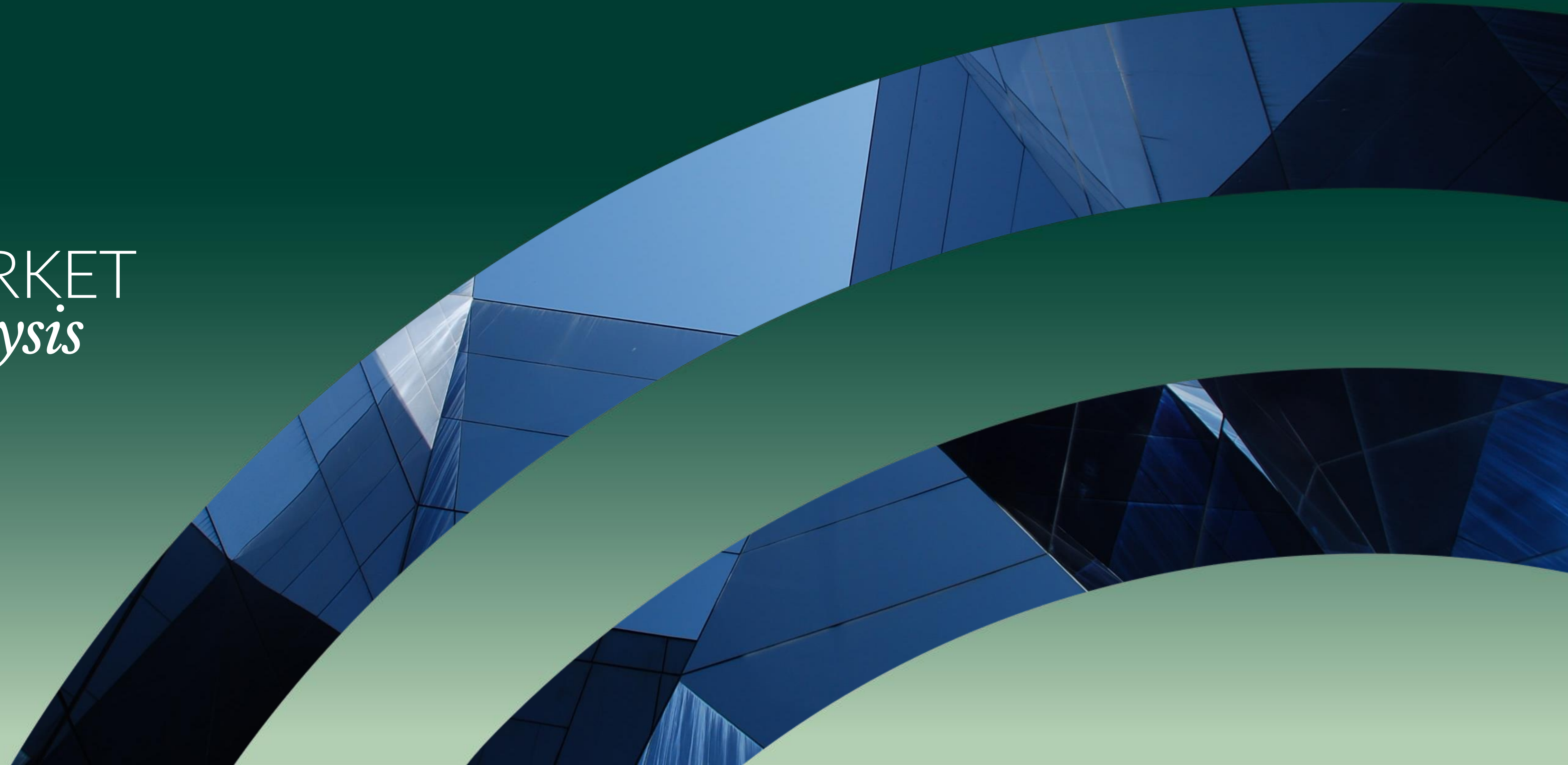


- A dovishly perceived Mr Powell and a bit softer economic data halted the relentless repricing of rate cut probabilities. From expectations of 1,5 cuts until year-end markets moved to see roughly 2 cuts and 120bp in total
- These projections are basically reflecting a soft landing outcome but leave little room for error
- In the Eurozone consensus is now for a starting point in June with around 75bp cuts priced for the ECB in 2024
- Although, the cutting cycle may start slow we are still seeing chances for more meaningful cuts medium-term than currently priced

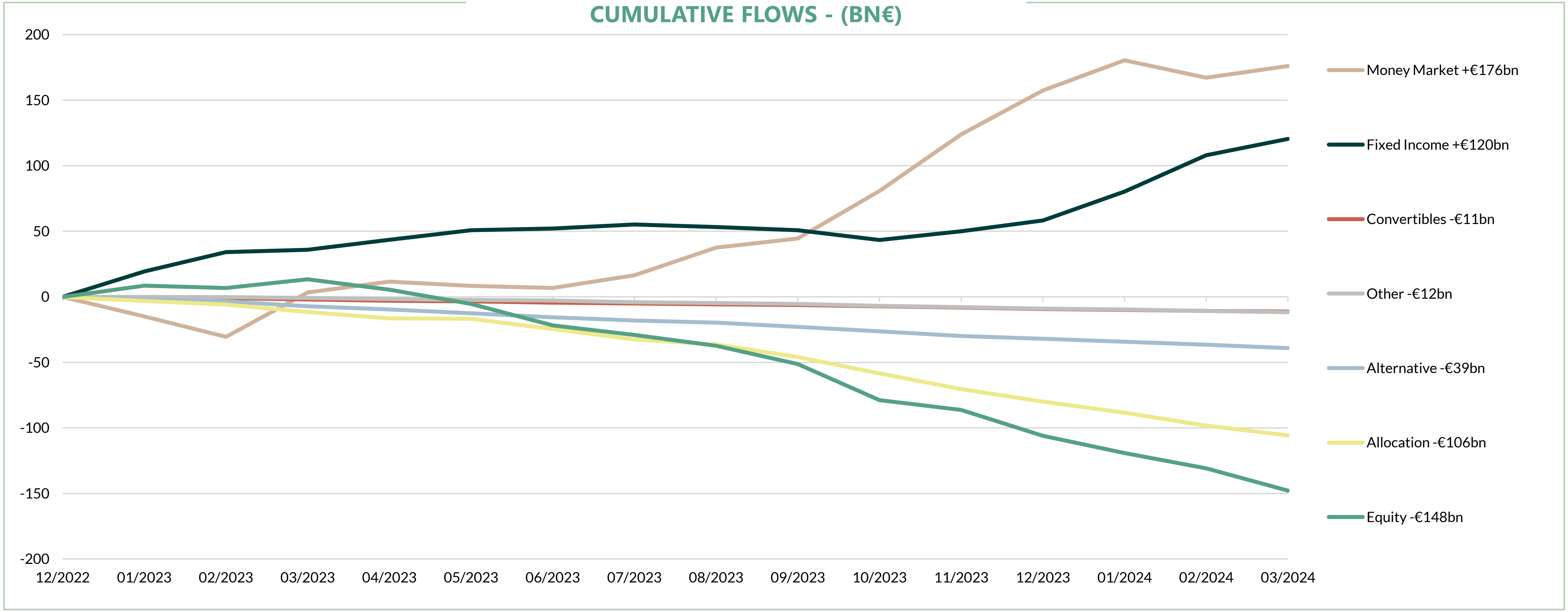
Sources: ODDO BHF AM SAS, Bloomberg | Data as of 02/05/2024

02

MARKET *analysis*

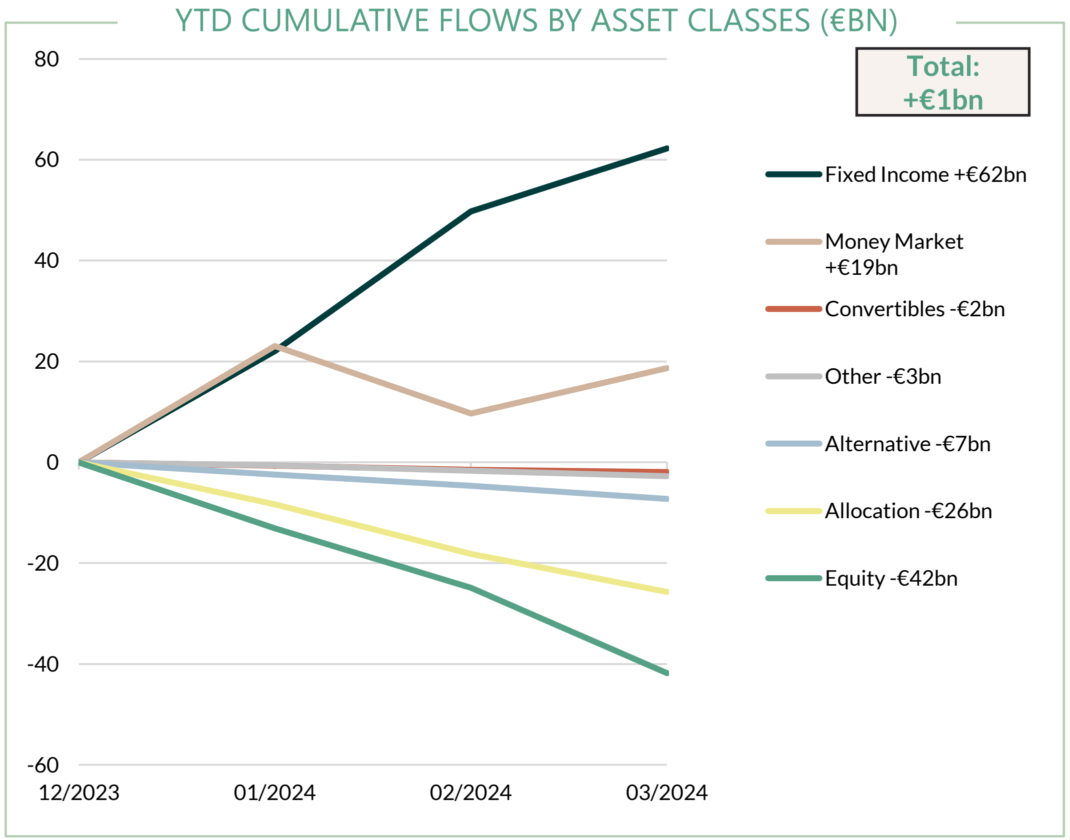


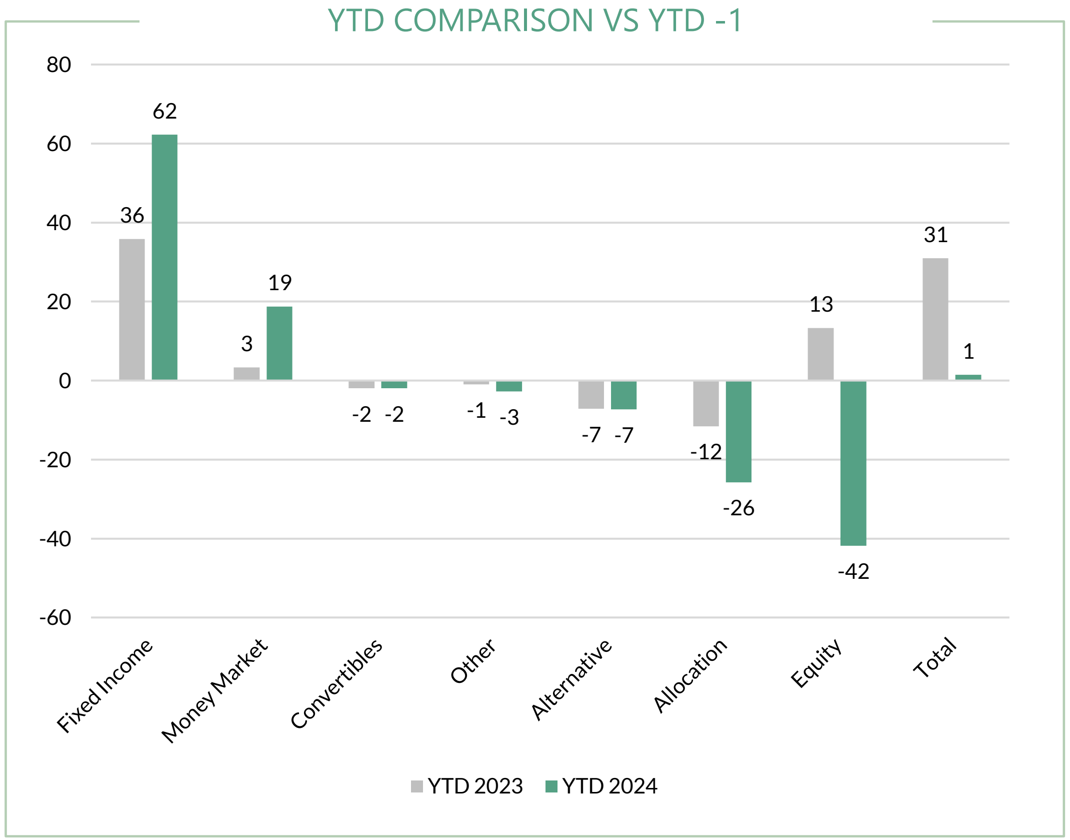
Cumulative mutual fund flows (€bn) since 2023



Source: Morningstar. Data as of 31/03/2024 (Europe OE ex ETF ex MM ex FoF ex Feeder (domiciled, most compr)

2023 European mutual fund flows

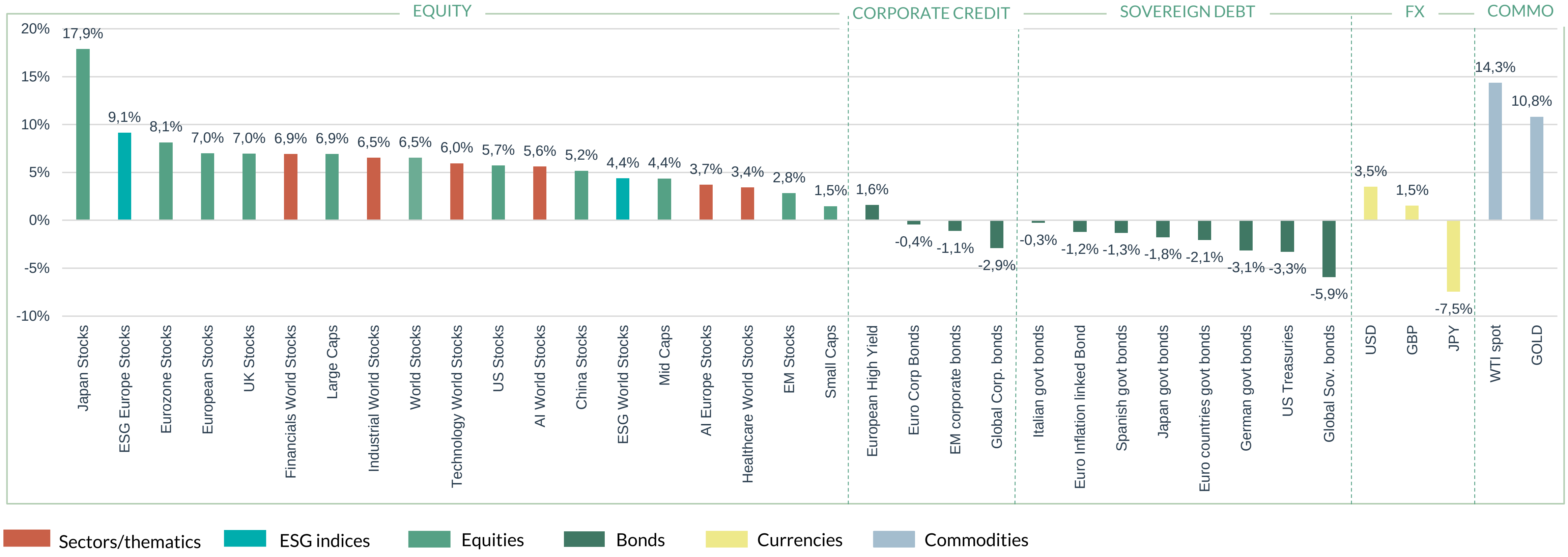




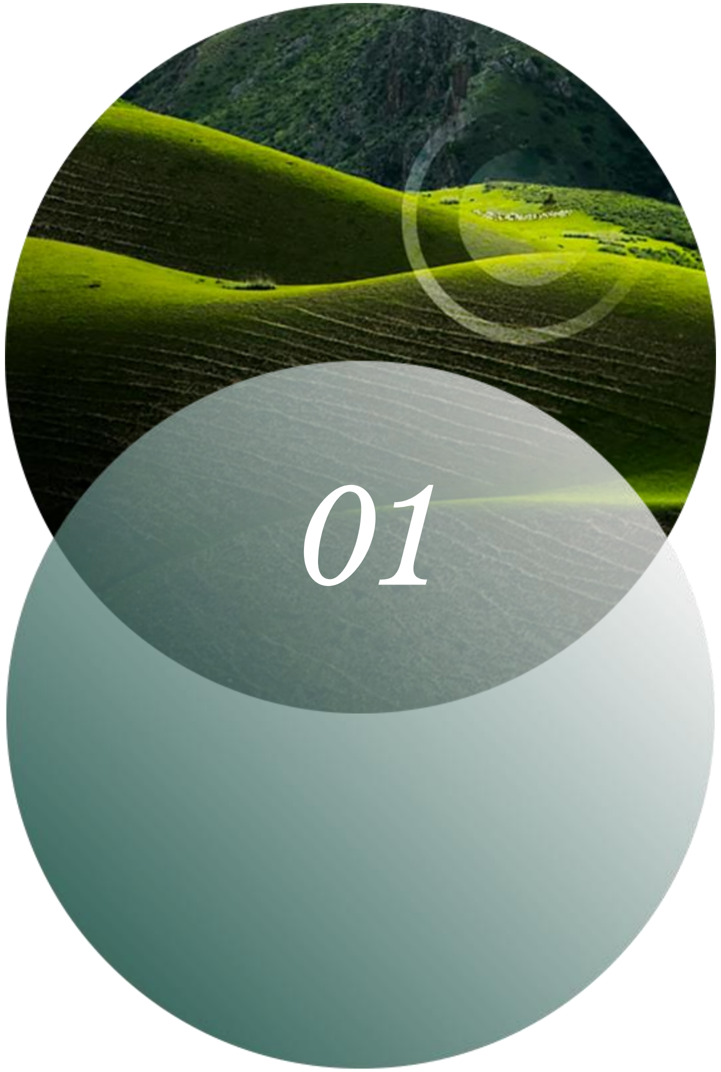
Source : Morningstar. Data as of 31/03/2024 (Europe OE ex ETF ex MM ex FoF ex Feeder (domiciled, most compr)

Year-to-date performances of asset classes

GEOPOLITICAL UNCERTAINTIES HAVE SUPPORTED BOTH OIL AND GOLD SINCE THE START OF THE YEAR



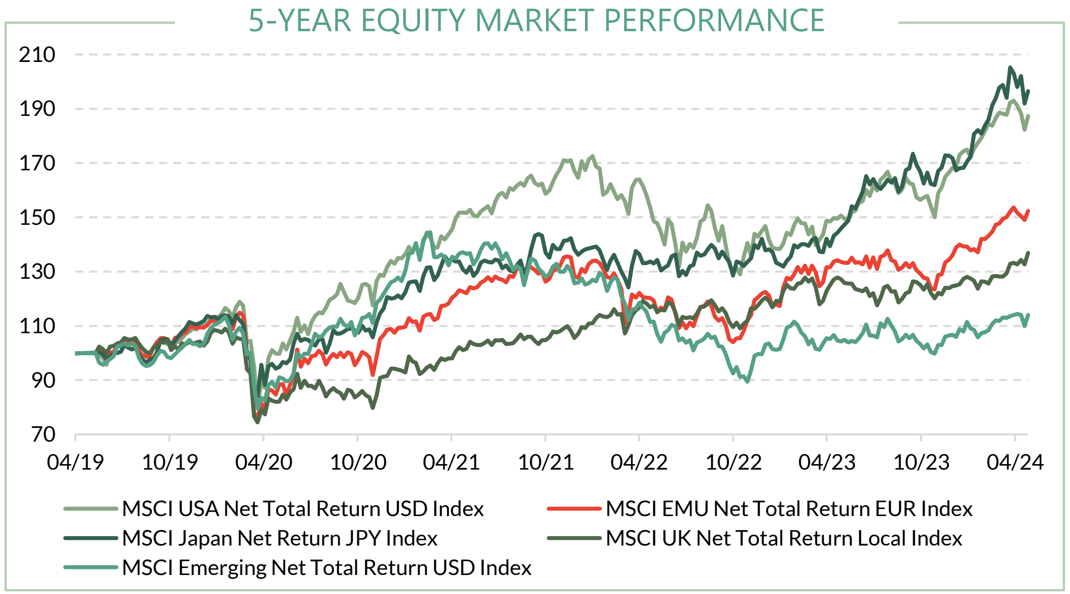
Past performances are not a reliable indicator of future performances and are not constant over time.
Sources: Bloomberg and BoA ML as of 30/04/2024; performances expressed in local currencies

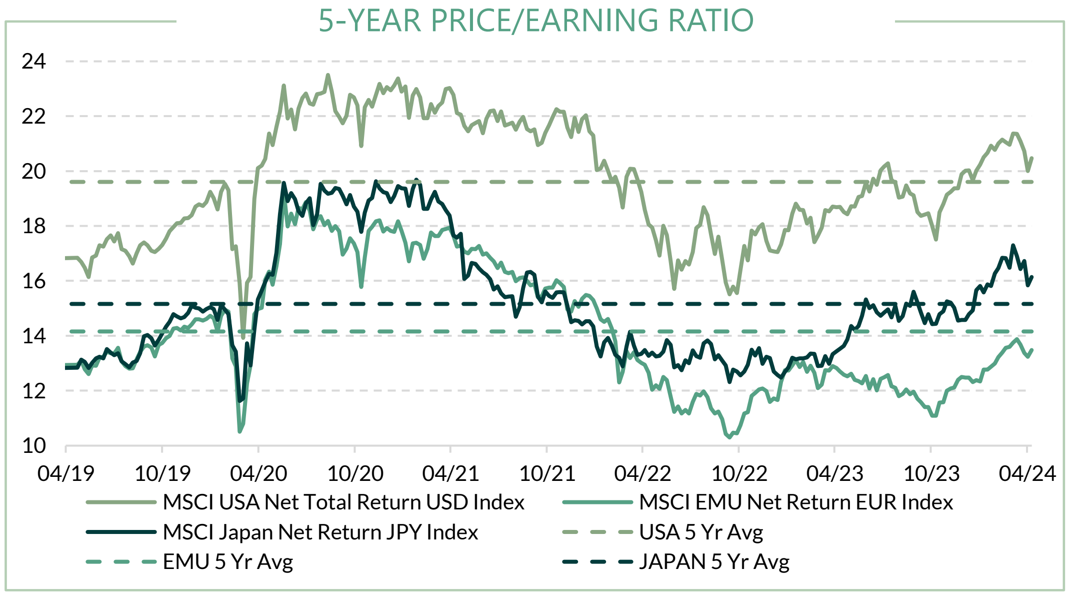


01 EQUITIES

Equities

EUROPE AND US EQUITIES LOSING STEAM





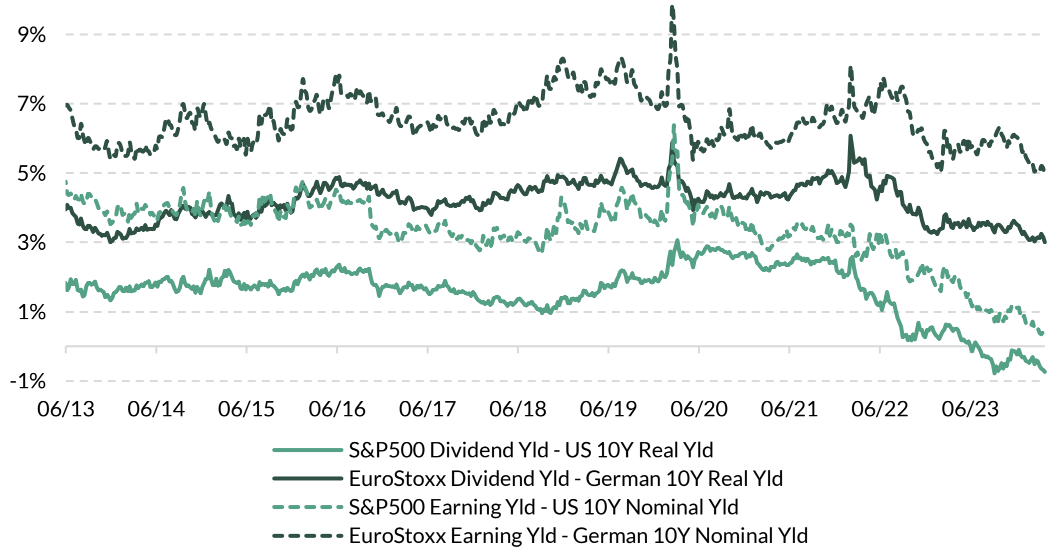
- Most major developed equities indices lost some ground in April
- In the US, the S&P500 lost -4%, with the Russell 2000 small-caps index losing -7% (and back in negative YtD).
- European markets were more resilient, especially ex-Eurozone (EuroStoxx -2%, MSCI Nordic 0%, FTSE100+2%), partially thank to falling currencies vs USD
- Not seen for many months, Emerging markets overperformed (MSCI EM 0% in USD), especially with off-shore Chine (Hang-Seng +7%).

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 02/05/2024

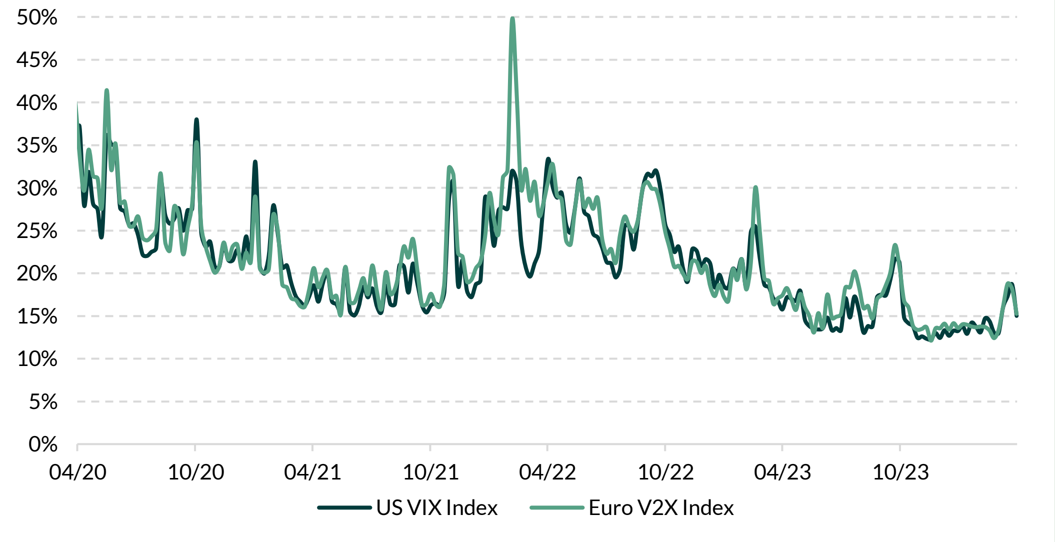
Risk premiums & volatility

AN ENDURING ENVIRONMENT OF LOW VOLS AND SCARCE PREMIA

EQUITY RISK PREMIUMS (NOMINAL AND REAL)



IMPLIED VOLATILITY INDEXES



- With a reasonably positive start of the Q1 earning season, and forward earnings still on an upward trend, the consolidation of US or Eurozone indices allowed valuation multiples to fall down.
- This only partially compensates the upward move of sovereign yield curves, and risk premia remain stable at low or very low levels .
- After a benign bout of volatility during the month, risk appetite surged again and implied volatilities fell back close to previous recent lows.

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 02/05/2024

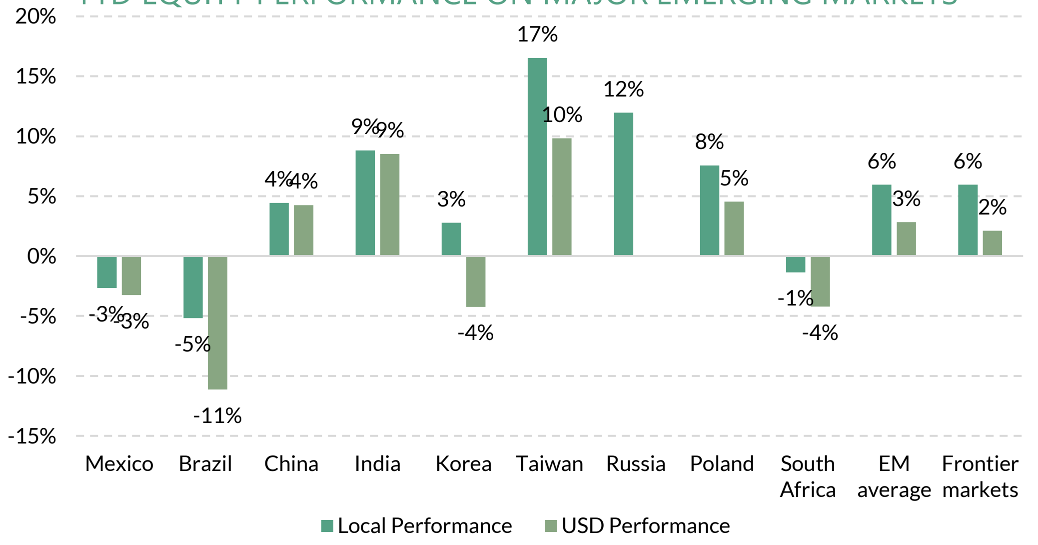
European equities – sectors overview

EUROPEAN SECTOR	WEIGHT	PRICE PERFORMANCE		EPS GROWTH		Valuation				
						P/E 12m	Div Yield	FCF Yield	EV/EBITDA	Price/Book
		1m %	YTD %	2024	2025	12m	12m	12m	12m	12m
STOXX Europe 600		-1,6%	5%	6%	11%	13,3 x	3,5%	5,4%	8,9 x	1,8 x
Commodities										
Energy	4,4%	4,5%	7%	-4%	7%	8,8 x	4,6%	9,3%	4,0 x	1,2 x
Basic Resources	2,6%	8,0%	2%	17%	16%	11,7 x	3,8%	5,5%	5,8 x	1,3 x
Cyclicals										
Automobiles & Parts	2,7%	-6,7%	7%	-2%	6%	6,1 x	5,3%	10,4%	5,2 x	0,7 x
Chemicals	2,6%	-4,3%	0%	23%	19%	19,7 x	3,0%	3,3%	9,8 x	2,1 x
Construction & Materials	4,1%	-4,6%	2%	6%	11%	14,4 x	3,0%	6,4%	8,1 x	2,0 x
Industrial Goods & Services	14,7%	-2,5%	7%	9%	15%	17,8 x	2,5%	5,0%	10,2 x	3,0 x
Media	2,0%	-1,9%	9%	72%	10%	18,3 x	2,6%	5,3%	11,6 x	3,5 x
Technology	8,4%	-4,7%	9%	4%	34%	26,1 x	1,1%	2,9%	17,4 x	4,4 x
Travel & Leisure	1,4%	-5,0%	2%	16%	18%	12,8 x	2,1%	6,8%	7,1 x	2,5 x
Consumer Products and Services	6,2%	-4,3%	4%	6%	16%	24,2 x	2,0%	4,1%	13,4 x	4,1 x
Financials										
Banks	9,6%	2,8%	16%	4%	5%	7,2 x	6,9%	-		0,8 x
Insurance	5,2%	-5,6%	5%	16%	9%	9,9 x	5,9%	6,7%	21,6 x	1,6 x
Financial Services	4,2%	-4,9%	0%	2%	19%	13,4 x	3,1%	5,8%	8,5 x	1,3 x
Real Estate	1,8%	-2,5%	-5%	7%	4%	15,0 x	4,3%	5,2%	21,7 x	0,9 x
Defensives										
Health Care	15,5%	0,7%	7%	5%	16%	18,0 x	2,3%	4,6%	12,5 x	3,5 x
Food Beverage and Tobacco	5,4%	-2,2%	-3%	3%	8%	14,4 x	3,8%	6,2%	10,6 x	2,5 x
Personal Care Drug and Grocery Stores	2,1%	1,3%	-1%	4%	11%	14,6 x	3,7%	6,3%	8,1 x	2,6 x
Retail	1,1%	-5,4%	4%	11%	14%	16,6 x	3,4%	5,9%	8,1 x	2,8 x
Telecommunications	2,5%	-2,8%	-1%	66%	12%	12,6 x	5,0%	11,6%	6,2 x	1,1 x
Utilities	3,6%	0,5%	-5%	3%	1%	11,9 x	5,2%	-1,1%	7,6 x	1,4 x

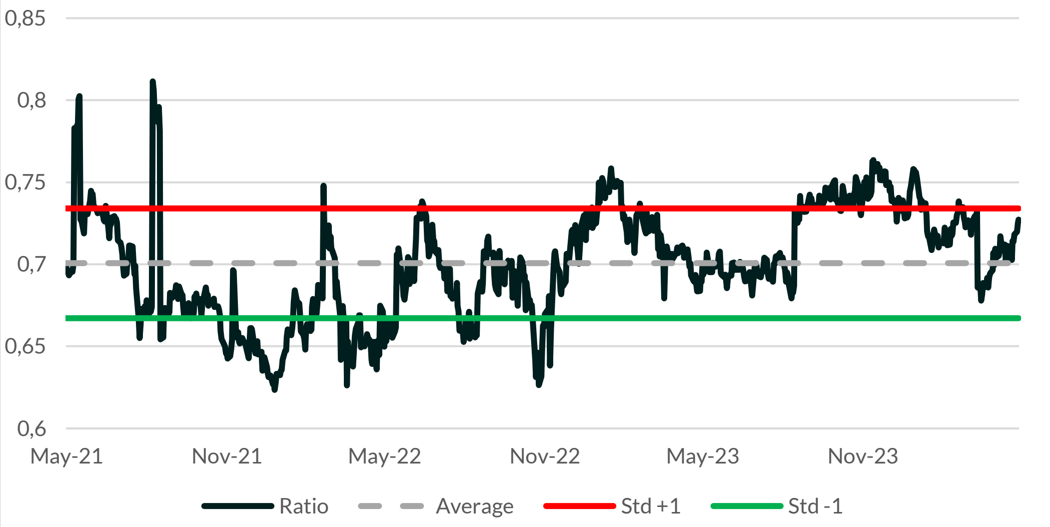
Past performances are not a reliable indicator of future performances and are not constant over time
Sources: ODDO BHF AM SAS, Goldman Sachs, 02/05/2024

Emerging markets
STRONG ROTATION TOWARDS CHINA

YTD EQUITY PERFORMANCE ON MAJOR EMERGING MARKETS

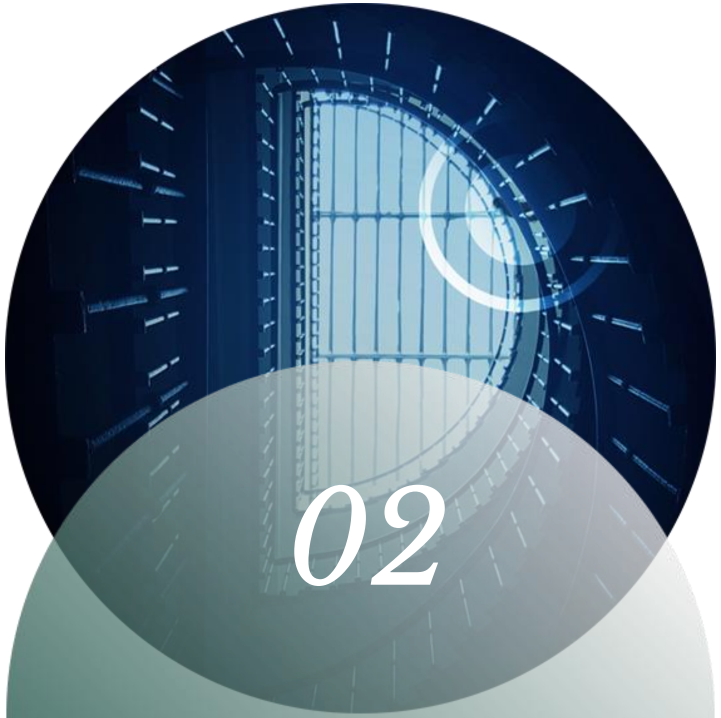


EM FWD P/E PREMIUM TO DM



- With an impressive positive performance over the month, despite a global downturn of equity markets, Chinese equity indices are now back with positive performances YtD.
- Asian markets (Hang Seng +7%, CSI 300 +2% but also Bombay Sensex and Taiwan TAIEX +1%) outperformed Latin American indices (Mexbol -1%, Bovespa -2%).

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 02/05/2024

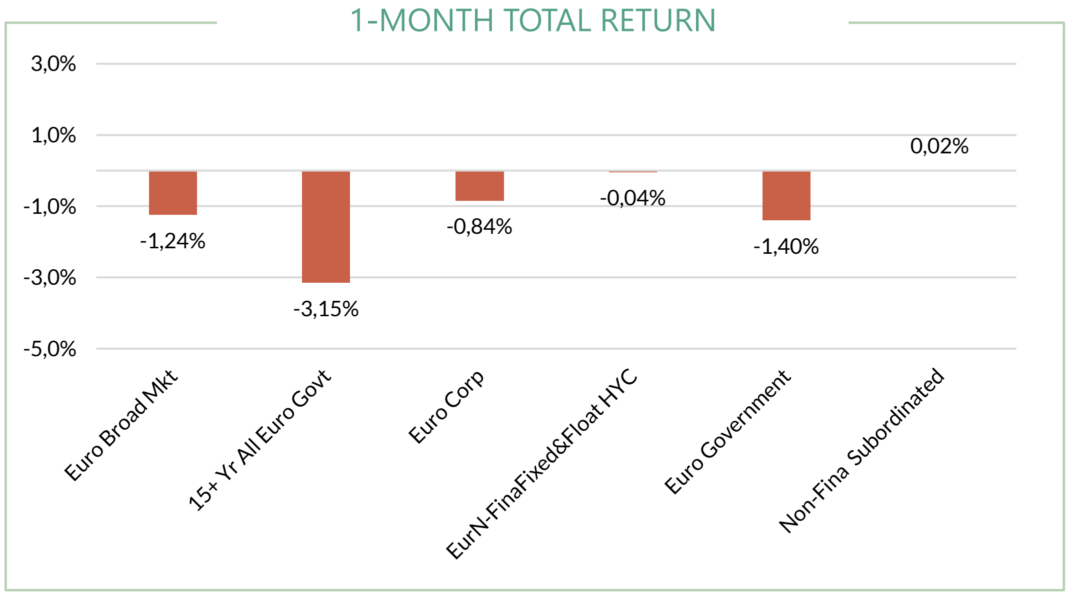


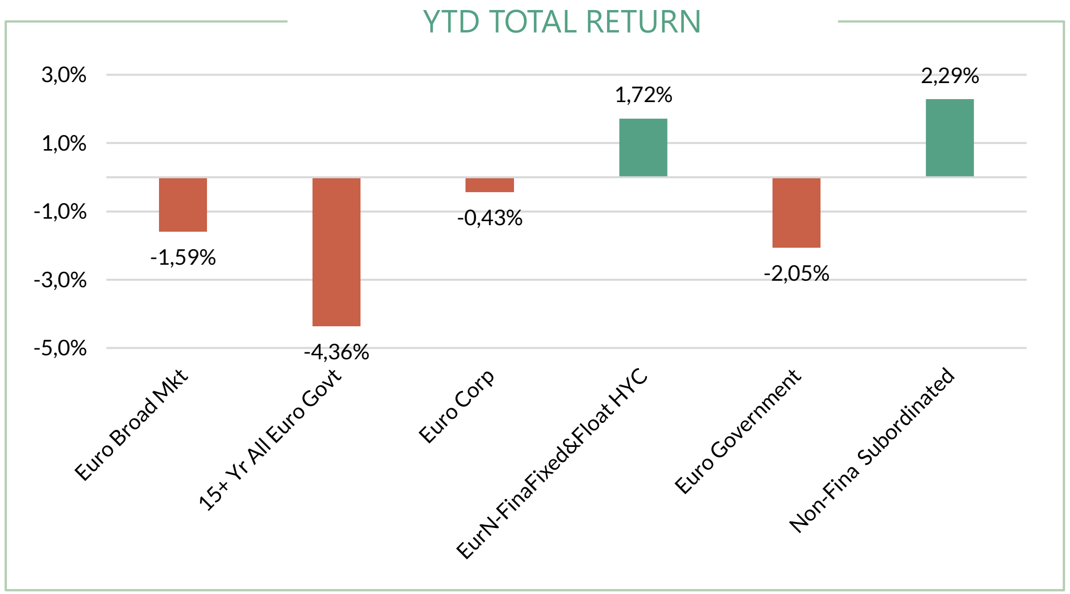
02

FIXED INCOME

Performance fixed income segment

REFLATION FEAR HIT BONDS

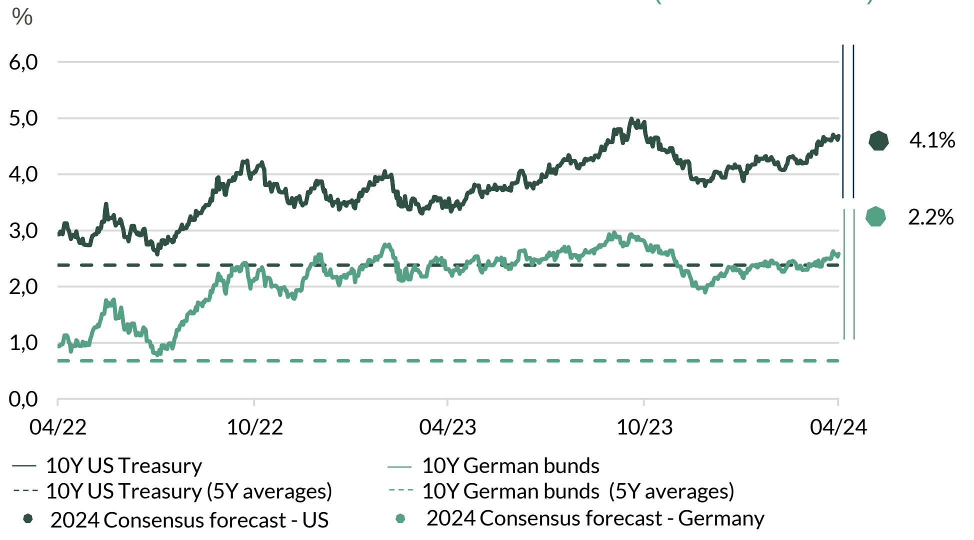




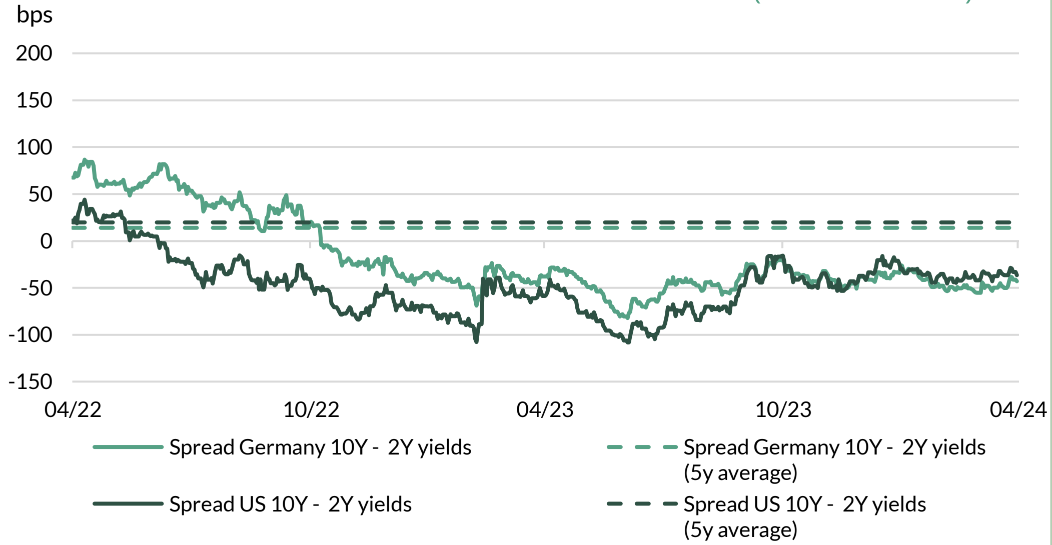
Past performances are not a reliable indicator of future performances and are not constant over time
Source: ODDO BHF AM, Bloomberg, data as of 30/04/2024

Rates
RANGES HAVE BEEN HOLDING

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



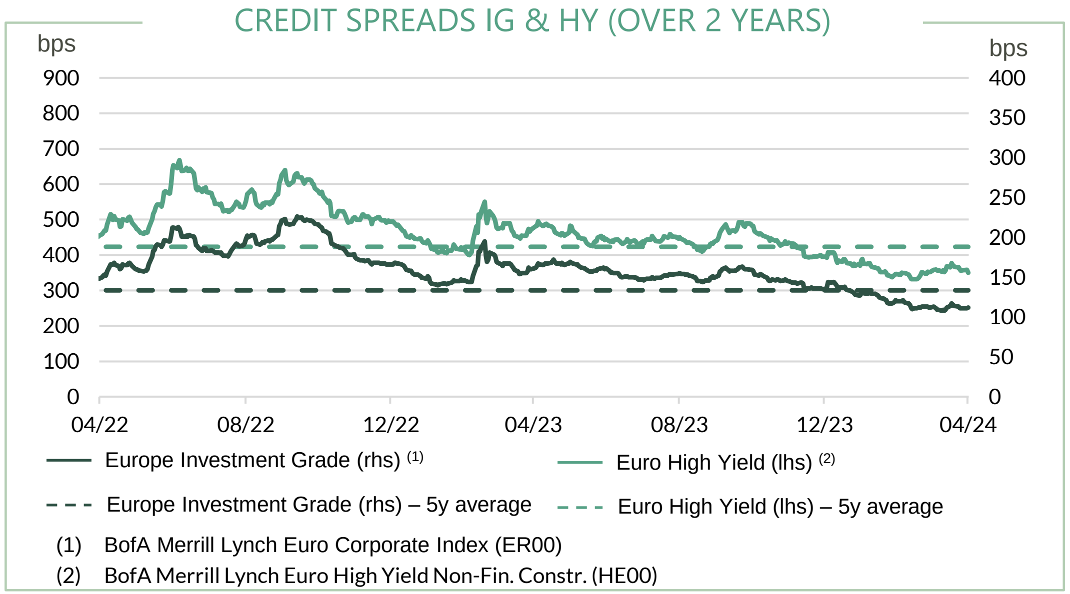
GERMAN & US 2 YEAR – 10-YEAR YIELD CURVE (OVER 2 YEARS)

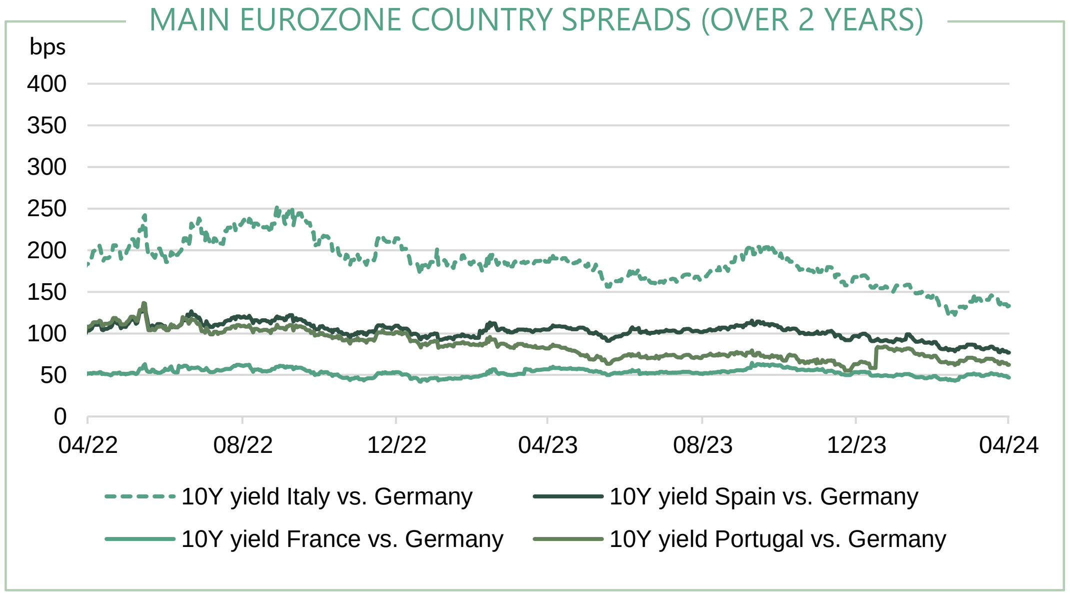


- Some stickiness in US inflation but weaker US data lately leave markets in a whipsaw mode, while 10-year Treasuries bounced back from the 2024 high of 4.7%
- Disinflation has further to run in the Eurozone allowing for cuts as early as June for the ECB. In the US the situation is more complex, but the FED should take the opportunity to initiate a first insurance cut in September
- Data in the US is still resilient but set to cool further over the next months as the hiking cycle works with a lag and special boosters are fading
- Nevertheless, a yield breakout to the downside does not to appear imminent. A further leg down needs the real start of cutting cycles and/or decidedly weaker economic data

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 04/30/2024; RHS: Data as of 04/30/2024

Credit Spreads
STILL ATTRACTIVE

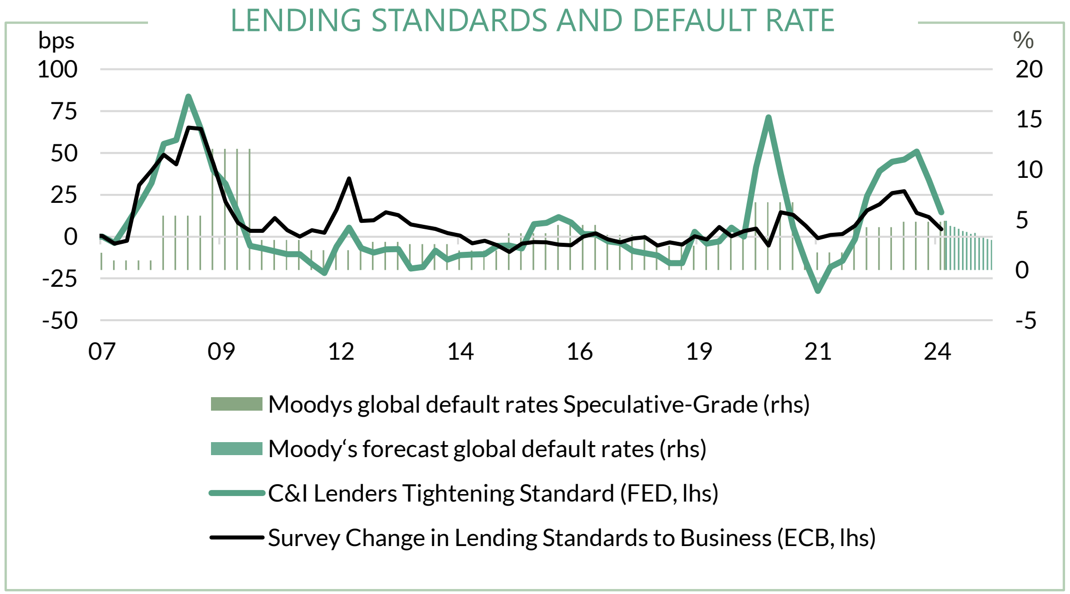


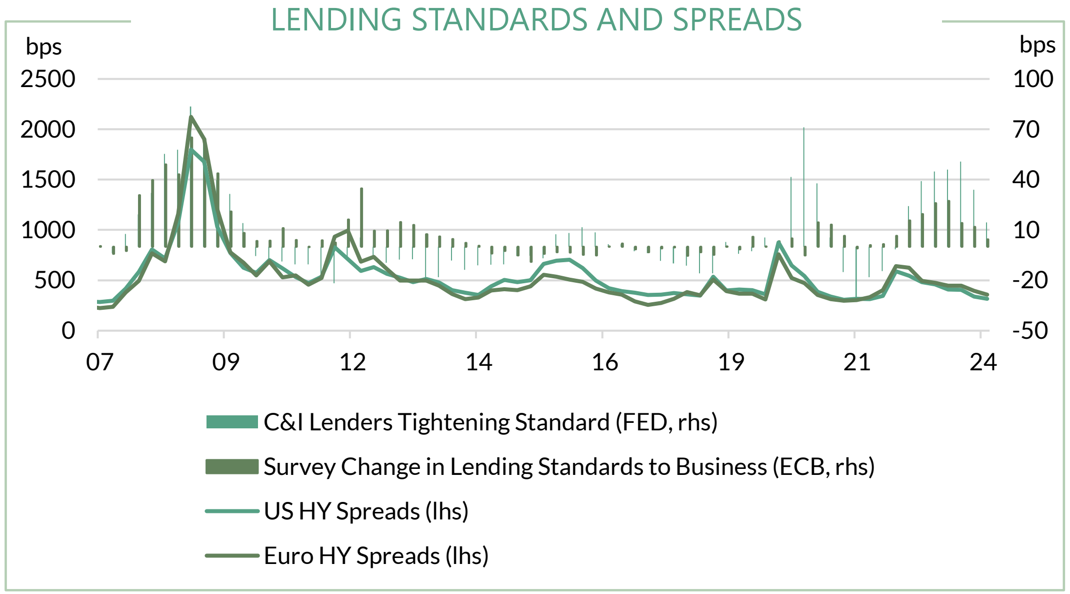


- Credit spreads have been trending sideways in investment grade and high yield corporates despite slightly increasing risk aversion
- As the "soft landing" story is supported for the time being, spreads still offer attractive carry features, while further tightening is more difficult to achieve
- Peripheral and sub-sovereign spreads should also continue to benefit from the current risk-on environment, although Italian spreads are starting to look stretched from a historic viewpoint as they are close to this year`s lowest point

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 04/30/2024

Financial conditions
TIGHTEN THE SCREW





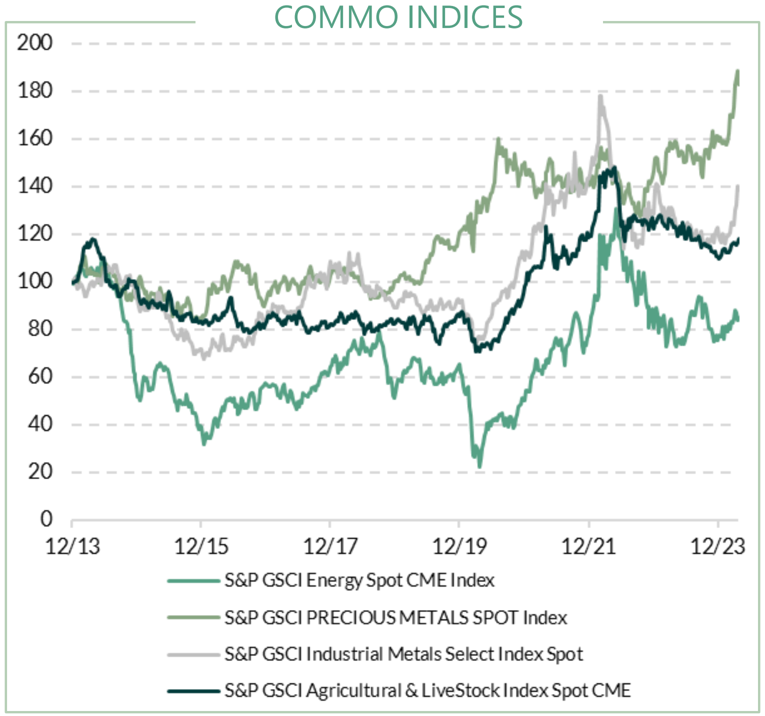
- Market driven financial conditions have improved again after a brief spike
- Recent surveys by the FED and ECB on lending availability and credit demand still reflect a restrictive stance with some improvement from the last quarter

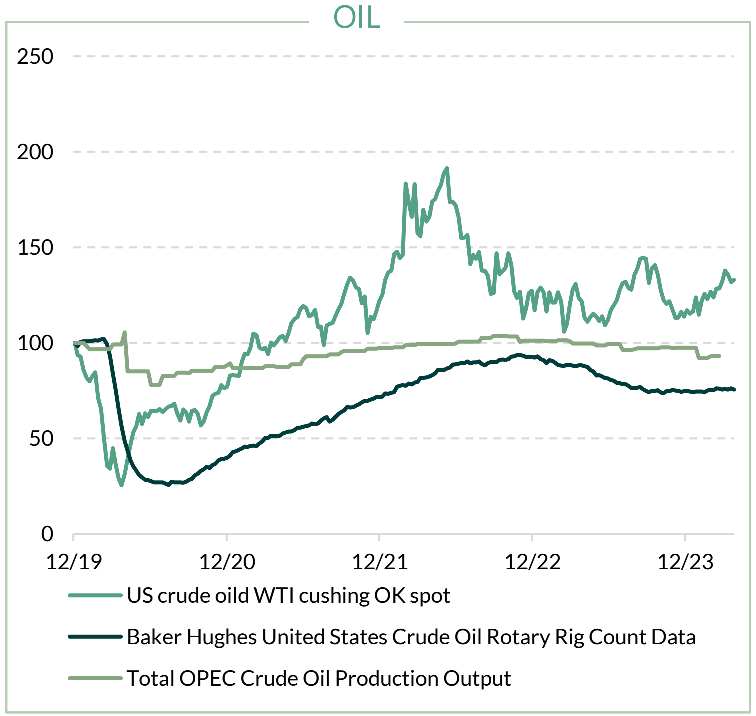
Source: Fed, ECB, Bloomberg | Moody's as of 03/31/2023, Lending Standard & Survey Change as of 03/31/2024, Spreads as of 03/31/2024

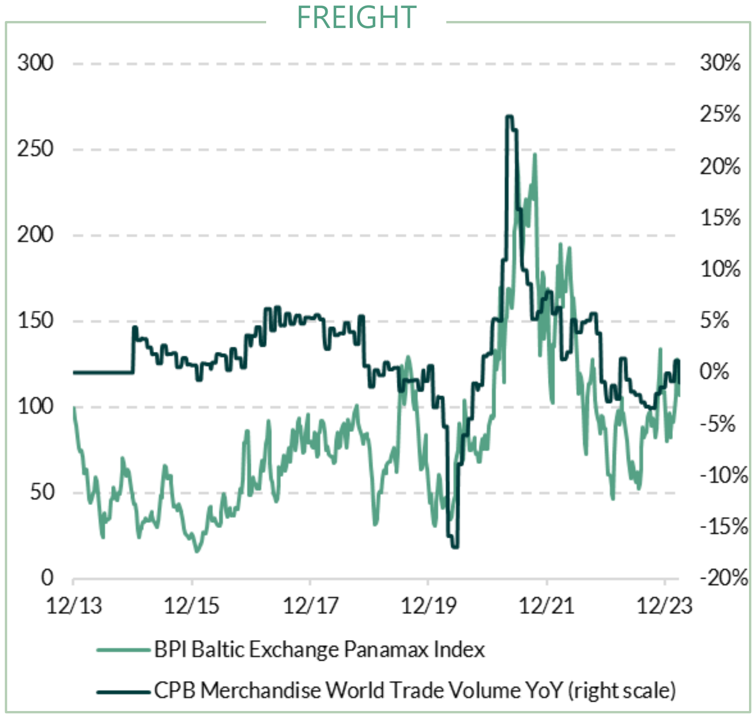
COMMODITIES & CURRENCIES

Commodities

INSUFFICIENT SUPPLIES



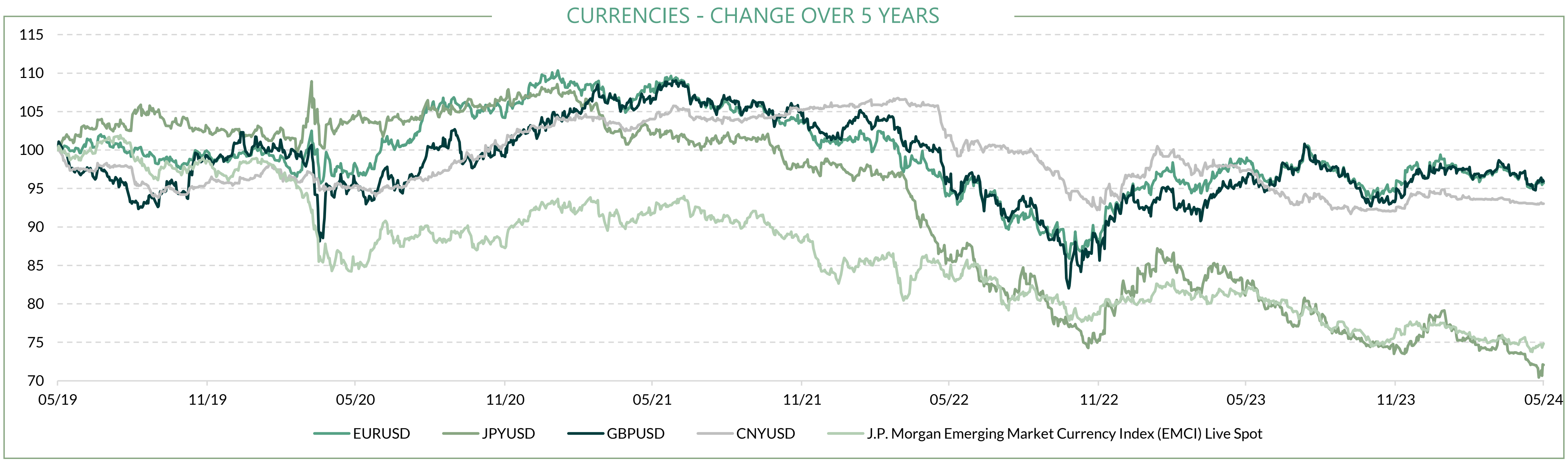




- Despite higher sovereign yields, Gold kept on rallying, fueled by the temporary risk-off environment.
- Due to geopolitical stress in the middle-East, WTI shortly moved above 87USD/barrel, before ending the month slightly down (81USD).
- Despite no real enthusiasm stemming from global manufacturing data, Industrial Metals also bounced significantly over the month, with copper now hovering around 10k USD/ton.
- Cocoa futures temporarily surged by close to 25% (and 175% Ytd), reaching a higher price than copper... Possibly speculative positioning later eased, but the commodity still traded at an astonishing 9300 USD/ton by end of month.

Past performances are not a reliable indicator of future performance and are not constant over time.
Sources: Bloomberg, ODDO BHF AM SAS | Data at 02/05/2024

Currencies
JPY FALLING OUT OF CONTROL?



- Fueled by changes in yield differentials, the US dollar gained ground vs the vast majority of currencies (1% vs EUR and GBP, 2% vs CHF, 3% vs Mexican peso or Brazilian real).
- The Japanese yen lost -4% more and is now down -11% YtD (and -50% since 2011 peak!).
- In such an environment, emerging Asians currencies exhibited strong resilience and barely changed vs USD.

Past performances are not a reliable indicator of future performance and are not constant over time.
Sources: Bloomberg, ODDO BHF AM SAS | Data at 02/05/2024

03

CURRENT *Convictions*

Scenarios
OUR 6-MONTH VIEW

01 Central scenario

Global GDP growth shows resilience so far but might slow down slightly as PMIs are muted, especially in the Eurozone. China's GDP growth remains lackluster but might fuel disinflation further. The US economy still holds up very well. Central banks are approaching interest rate cuts while the full impact of the previous rate increases still has to be seen. Corporate earnings are solid so far with exceptions in the Chemical and Real Estate sector.

EUROPE

- Growth expectations are low, especially for manufacturing
- Disinflation has accelerated and will continue also for core inflation
- ECB is about to cut rates given the progress on disinflation
- Supply chains are less disrupted

US

- So far, corporate fundamentals and the labor market remain resilient, but economic sentiment is deteriorating slightly
- Disinflation has moderated, and economic data and labor market remain strong pushing back Fed rate cuts
- Massive issuance volumes of the US Treasury could absorb liquidity of bond markets.

STRATEGY

- Neutral on equities
- Benefit from carry of short-term High Yield Bonds and longer duration from Investment Grade

OVERWEIGHT

- Short Duration Euro High Yield
- Government Bonds and Investment Grade

UNDERWEIGHT

- US High Yield

70%

02 Alternative scenario #1

Upside scenario

- Less disrupted supply chains and higher real income support global growth, a recession is avoided
- Central banks start to cut rates as there is substantial relief from inflation figures
- Sustainable resolution of the stress in the financial system and no repercussions to the real economy

OVERWEIGHT

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

UNDERWEIGHT

- Alternative Strategies
- Cash

20%

03 Alternative scenario #2

Leverage crisis, sticky inflation

- A more restrictive credit supply puts pressure on highly levered companies and the overindebted Real Estate sector which could have negative spill overs to the Banking sector, especially in the US.
- Inflation does not fall to the expected extent, stays sticky despite a weaker economic outlook
- Risk of overtightening by central banks
- Market volatility increases

OVERWEIGHT

- Alternative strategies
- Cash

UNDERWEIGHT

- Equities
- Credit

10%

Source: ODDO BHF AM, as of May 14th 2024

Our current convictions
FOR EACH ASSET CLASS

Change from the last GIC meeting

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

Source: ODDO BHF AM, as of May 14th 2024

Our current convictions FOR EACH ASSET CLASS

Change from the last GIC meeting

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

Source: ODDO BHF AM, as of May 14th 2024

04

OUR INVESTMENT *Solutions*

Registration of funds abroad
AND MORNINGSTAR™ CATEGORIES

FUNDS	MORNINGSTAR CATEGORIES															
ODDO BHF Génération	Eurozone Large-Cap Equity	X	X	X	X	X	X	X	X	X		X	X	X	X	X
ODDO BHF Avenir Europe	Europe Mid-Cap Equity	X	X	X	X	X	X	X	X	X		X	X	X		
ODDO BHF Avenir Euro	Eurozone Mid-Cap Equity	X	X		X	X	X		X			X		X		
ODDO BHF Avenir	France Small/Mid-Cap Equity	X	X		X	X	X		X					X		
ODDO BHF US Mid Cap	US Mid-Cap Equity	X	X		X	X	X							X		
ODDO BHF Active Micro Cap	Europe Small-Cap Equity	X				X	X						X	X		
ODDO BHF Active Small Cap	Europe Small-Cap Equity	X	X		X	X	X	X	X	X			X	X	X	
ODDO BHF ProActif Europe	EUR Flexible Allocation	X	X	X	X	X	X	X		X			X	X		
ODDO BHF Future of Finance	Sector Equity Financial Services	X			X	X	X							X		
ODDO BHF Immobilier	Property - Indirect Eurozone	X	X		X	X	X			X			X	X		
ODDO BHF Algo Min Var	Europe Large-Cap Blend Equity	X			X	X										
ODDO BHF China Domestic Leaders	China Equity	X			X	X	X							X		
ODDO BHF Algo Sustainable Leaders	Europe Large-Cap Blend Equity	X	X		X	X	X		X				X	X		
ODDO BHF Artificial Intelligence	Sector Equity Technology	X	X	X	X	X	X	X		X			X	X	X	X
ODDO BHF Green Planet	Sector Equity Ecology	X	X	X	X	X	X	X	X	X			X	X	X	X
ODDO BHF Patrimoine	EUR Moderate Allocation - Global	X		X		X										
ODDO BHF Métropole Small Cap Value	Europe Mid-Cap Equity	X				X								X		
ODDO BHF Métropole Euro SRI	Eurozone Large-Cap Equity	X	X		X	X	X	X			X			X		
ODDO BHF Métropole Sélection	Europe Large-Cap Value Equity	X	X	X	X	X	X	X					X	X		

Source : ODDO BHF AM SAS, Data as of 30/04/2024

Registration of funds abroad
AND MORNINGSTAR™ CATEGORIES

FUNDS	MORNINGSTAR CATEGORIES	Germany	Austria	Belgium	Spain	France	Italy	Luxembourg	Netherlands	Portugal	United Kingdom	Singapore	Sweden	Switzerland	Finland	Norway
ODDO BHF Convertibles Global	Convertible Bond - Global, EUR Hedged	X	X	X	X	X	X	X		X				X		
ODDO BHF Polaris Moderate	EUR Cautious Allocation	X	X	X	X	X	X	X		X			X	X		
ODDO BHF Exklusiv: Polaris Balanced	EUR Moderate Allocation	X	X		X	X	X	X	X	X			X	X		
ODDO BHF Exklusiv: Polaris Dynamic	EUR Aggressive Allocation	X	X		X	X	X	X	X	X			X	X		
ODDO BHF Polaris Flexible	EUR Flexible Allocation	X	X		X	X	X	X	X				X	X		
ODDO BHF Green Bond	EUR Diversified Bond	X	X			X			X					X		
ODDO BHF Euro Short Term Bond	EUR Diversified Bond - Short Term	X	X		X	X	X							X		
ODDO BHF Sustainable Euro Corporate Bond	EUR Corporate Bond	X	X		X	X	X	X		X	X	X	X	X	X	X
ODDO BHF Euro Credit Short Duration	EUR High Yield Bond	X	X	X	X	X	X	X		X	X	X	X	X	X	X
ODDO BHF Global Credit Short Duration	Global High Yield Bond - EUR Hedged	X	X		X	X	X	X						X		
ODDO BHF Haut Rendement 2023	Fixed Term Bond	X	X	X	X	X	X	X		X		X	X	X	X	
ODDO BHF Haut Rendement 2025	Fixed Term Bond	X	X		X	X	X	X		X			X	X	X	X
ODDO BHF Global Target 2026	Fixed Term Bond	X			X	X	X	X					X	X	X	X
ODDO BHF Global Target 2028	Fixed Term Bond	X	X	X	X	X	X	X		X		X		X		
ODDO BHF Euro High Yield Bond	EUR High Yield Bond	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
ODDO BHF Sustainable Credit Opportunities	EUR Flexible Bond	X	X	X	X	X	X	X	X	X			X	X	X	

Source : ODDO BHF AM SAS, Data as of 30/04/2024

HOW PERFORMANCE IS 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. 24 • 2024: Tempering expectations
- Sept. 23 • Hovering flight or losing altitude?
- Jan. 23 • On your marks
- Sept. 22 • Carry on
- Jan. 22 • Make 2022 an opportunity
- Sept.21 • "Breathless?"

MONTHLY INVESTMENT BRIEF

- Apr 24 • The end of the American dream?
- Mar. 24 • Myths and realities
- Feb. 24 • AI: fad or margin effect?
- Dec. 23 • The "60/40" strategy is back
- Nov 23 • Polarisation
- Oct 23 • The rise in bond yields leads to new opportunities for investors

MARKET VIEWS

- 19/04/24 • Equities remain unmatched over the long term
- 18/04/24 • The moment of truth for public debt
- 13/03/24 • What risks for the global economy?
- 19/02/24 • France-Germany, the sick couple of Europe
- 19/02/24 • Long-term investors should not fear the US election
- 16/01/24 • Three questions about rate cuts: why, when, by how much?

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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ODDO BHF AM GmbH

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Established in the form of a simplified joint-stock company with authorised capital of €21,500,000.
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