MONTHLY *investment* BRIEF

ODDO BHF ASSET MANAGEMENT

On your marks

2022 : TECH'S *ANNUS HORRIBILIS*

-39.8% for the IGV (US Software sector ETF), -39.2% for the SOX (Philadelphia Semiconductor Index), -42.4% for the Hong Kong Tech Index.

2022 can already be described as an *annus horribilis* for the global tech sector, after several years of relentless performance.

Each segment of the industry has gone through a long and throbbing downward phase in 2022 that ended in violent retreat. First, Chinese technology stocks. Then, Semiconductors followed by GAFAM. And finally, the Software segment which collapsed on 4 November 2022.

This historic decline is part of a broader sector rotation movement. Flows are moving out of tech (and in particular GAFAM) into two types of sectors:

- Cyclicals (Energy, Financials and Industrials)
- Defensive: sectors with relatively stable earnings expectations during a recession (Pharmaceuticals and Food)

The question now, is whether we are facing a long cycle of underperformance or whether tech stocks are becoming attractive again.

We see reasons to be more constructive from now on:

1. The segments that capitulated first (Chinese tech and Semiconductors) are rebounding
2. Some semiconductor companies have already revised their forecasts three times and are now presenting a more de-risked level of expectations
3. Valuations have returned to attractive levels for long-term investors. For example, it is not uncommon to find companies with double-digit growth rates along with valuations close to those of the Telecoms sector
4. The sector's fundamentals remain excellent and there are no leading indicators that the semiconductor super-cycle is about to turn around

In the long-term, tech stocks remain attractive. The main question is about when we should reposition.

To answer that, several prior questions need to be addressed first:

➢ **How high will US interest rates go?**

The Fed is adapting its strategy by reducing the magnitude of future rate hikes while remaining adamant to raise the terminal rate ever higher. It is therefore data-dependent, in particular on how the labour market will perform, a key parameter to avoid a price-wage spiral. However, we believe a pivot of the Fed has begun and that most of the monetary tightening is behind us. The Fed will want to measure the impact of its monetary policy on the economy and is rightly concerned about a possible dip in the housing market. The rise in short rates is certainly not over, but the rise in long-term rates may well be...

Our scenario: stabilisation of long-term rates

➢ **Should we expect further downward revisions to the 2023 earnings?**

We think so because analysts' forecasts lag during recessions and some companies tend to model in their guidance only the level of deterioration already experienced (and not the one yet to come)

Our scenario: a decline in EPS at this point in the cycle

➢ **Is further multiple compression to be expected?**

We do not think so. On the contrary, future disappointments will be offset by an expansion of valuation multiples; this is what previous crises exists have shown, especially if rates stabilise and even more so if they fall.

Our scenario: No multiple compression with stable rates and normalisation of the supply shock

Source: ODDO BHF AM, comments as of 08/11/2022

- **Have we witnessed the beginning of the end of GAFAM (Google, Amazon, Facebook, Apple and Microsoft)?**

The index market cap weight of these 5 companies is so large (around 25 % of the S&P) that an "idiosyncratic" analysis of these stocks must be carried out. The history of the tech sector is made up of the rise and fall of big names that end up being disrupted and replaced by new generation, more innovative players. The considerable loss of value of these five stocks in October and November could lead us down this path. Yet, we will not be drawing such a conclusion.

We remain very constructive on Microsoft for its ability to grow sustainably on key segments such as Teams, Cybersecurity, or the Power Platform. We also remain positive on Google for the resilience of its core business and its investments in AI (Waymo, Calico, Verily). This is less the case for other companies whose EPS outlooks have recently been divided by 4, with the outlook for advertising revenues in particular revised downwards. Apple's Smartphone segment is also turning negative and will impact the valuation of the stock, according to our analysis.

Our scenario: a natural selection will happen and break the "GAFAM" theme

- **Can we expect the US-China tech war to ease?**

We do not think so. The interests around artificial intelligence, the interweaving of supply chains in semiconductors and hardware, and therefore Taiwan, are too antagonistic to hope for a halt or a slowdown in the pace of restrictions.

Our scenario: a status quo would be the most optimistic scenario

- **Should we expect other tech areas to break down as well?**

Infrastructure software such as ERP (SAP, Oracle, Workday) is clearly at risk if the recession intensifies, as is a larger share of semiconductors that service the manufacturing sector.

Our scenario: in this context, we recommend favouring sectors that have already collapsed

In conclusion, which catalysts will fuel a recovery in the sector?

1. A pause in rate hikes
2. An end to earnings downgrades (some segments are even recovering six to nine months before the earnings low)
3. The resumption of the M&A cycle
4. The arrival of opportunistic and activist investors in undervalued stocks

If these criteria were met (we are getting close), we would focus first on emerging market technology, then on semiconductors, and finally on software. In other words, the end of China's zero-covid policy could be the catalyst for a shift to "risk-on" mode in the portfolio, which would undoubtedly benefit the technology sector. On your marks...

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Source: ODDO BHF AM, comments as of 08/11/2022

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02 MARKET ANALYSIS

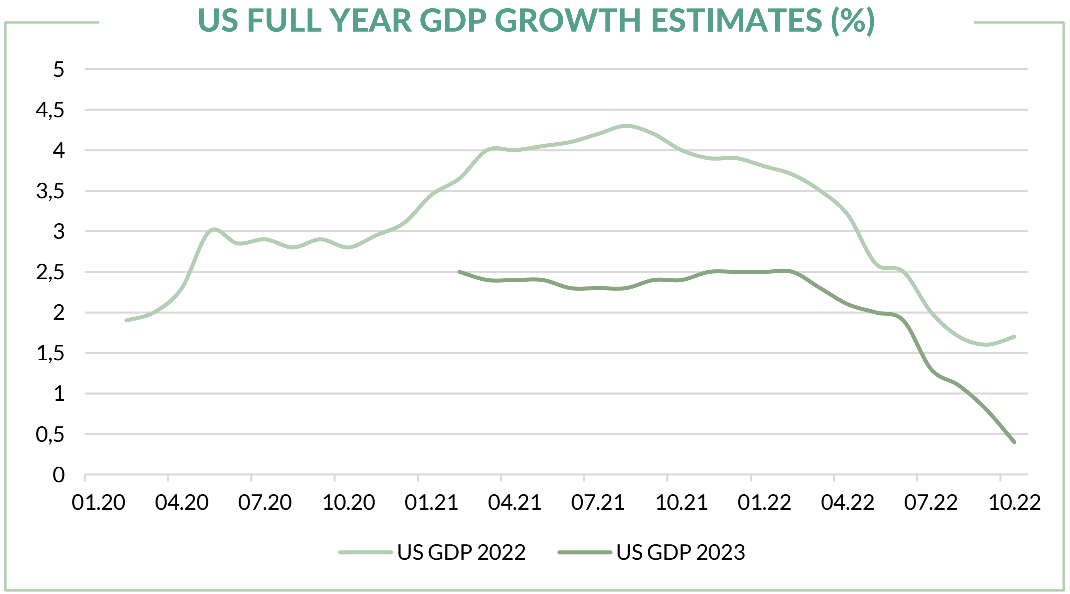
EQUITIES
FIXED INCOME
COMMODITIES & CURRENCIES

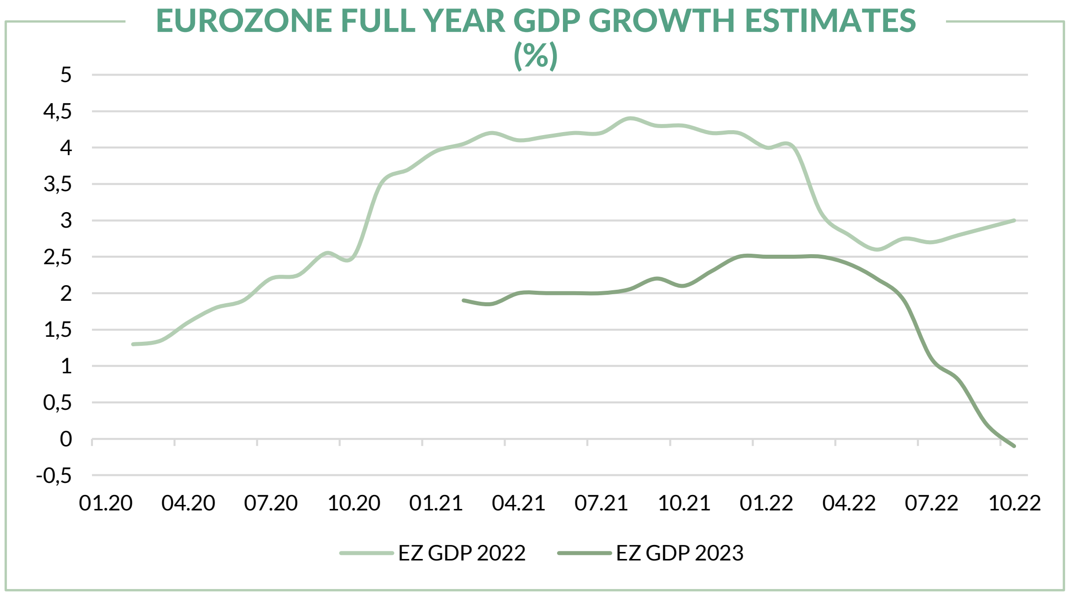
03 CURRENT CONVICTIONS

01

MACROECONOMIC *outlook*

Growth outlook
CONSENSUS STILL LAGGING





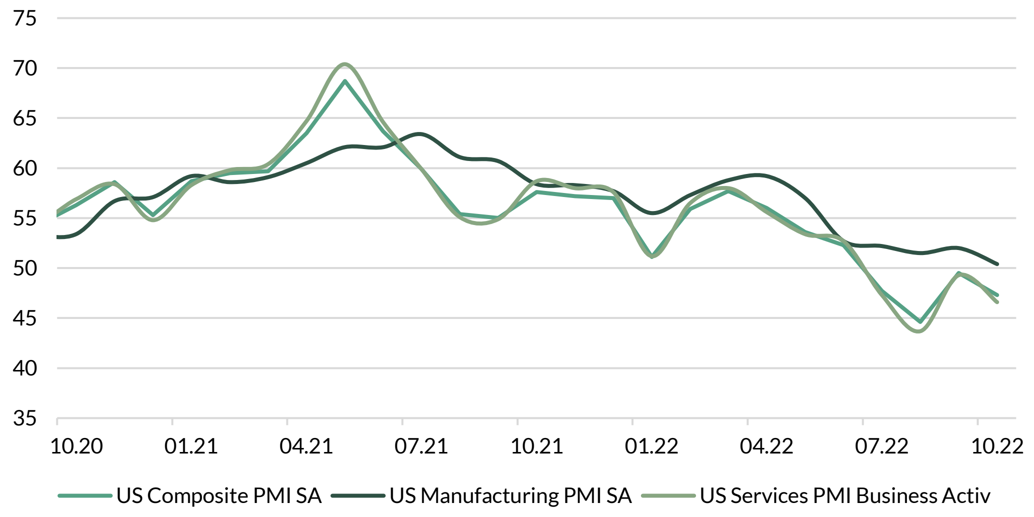
- GDP forecasts for 2023 have been in free fall after a brief summer pause
- US is now posting a mere 0.4%, while the Eurozone dipped below zero
- But consensus forecasts still seem too benign

Sources: ODDO BHF AM SAS, Bloomberg, data as of 10/31/2022

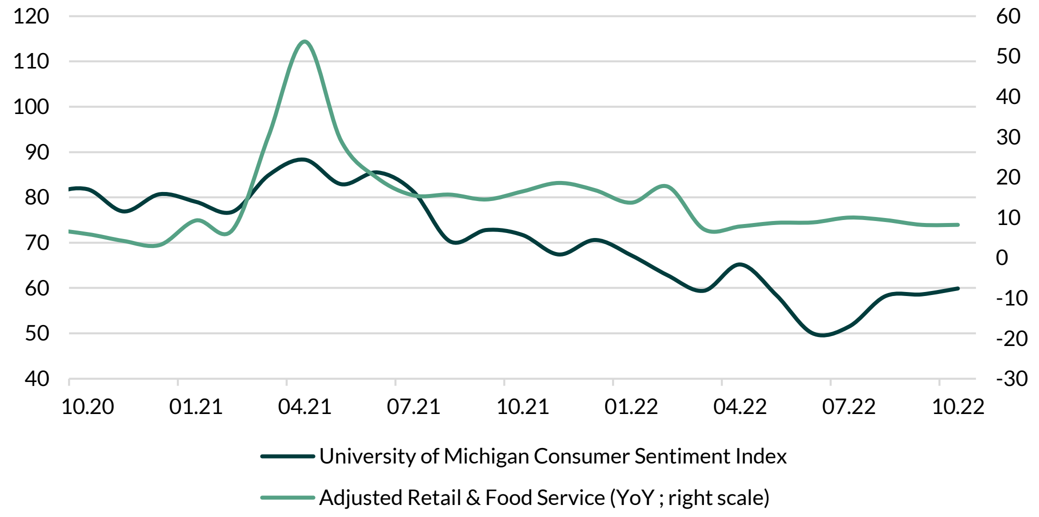
USA

RESILIENCE OR JUST A PAUSE IN THE DOWNSWING?

PMI SERVICES & MANUFACTURER



RETAIL SALES & CONSUMER CONFIDENCE

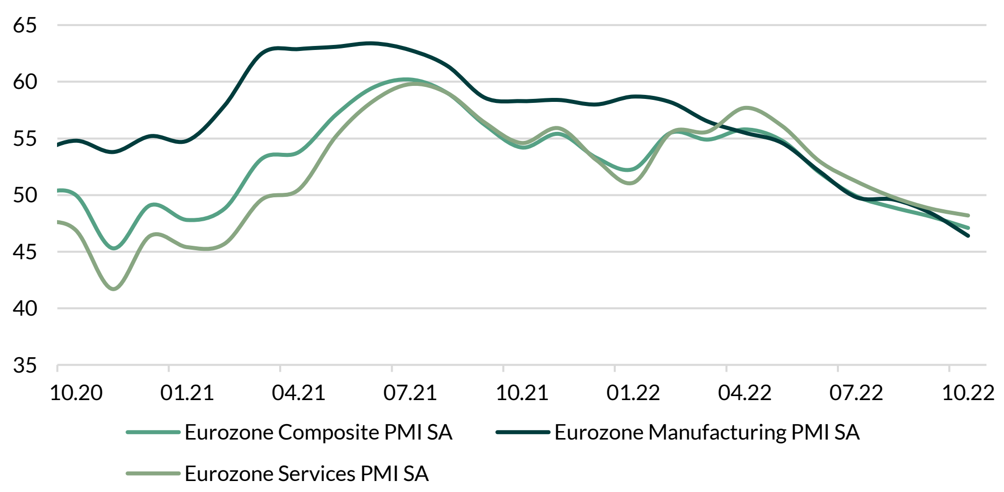


- ISM manufacturing dipped further but remained above the 50 mark (50.2) with a bit of improvement in subcomponents. Especially, delivery times, prices and employment improved. The former subindices are a reflection of a further easing of covid disruptions
- Q3 GDP rebounded to 2.6% after two consecutive declines in previous quarters, highlighting the current resilience of the US economy
- Pillars of strength remain healthy consumer reserves as well as a too strong labor market for the FED`s comfort
- Weakness is apparent in the residential property market which has been curbed by high mortgage rates

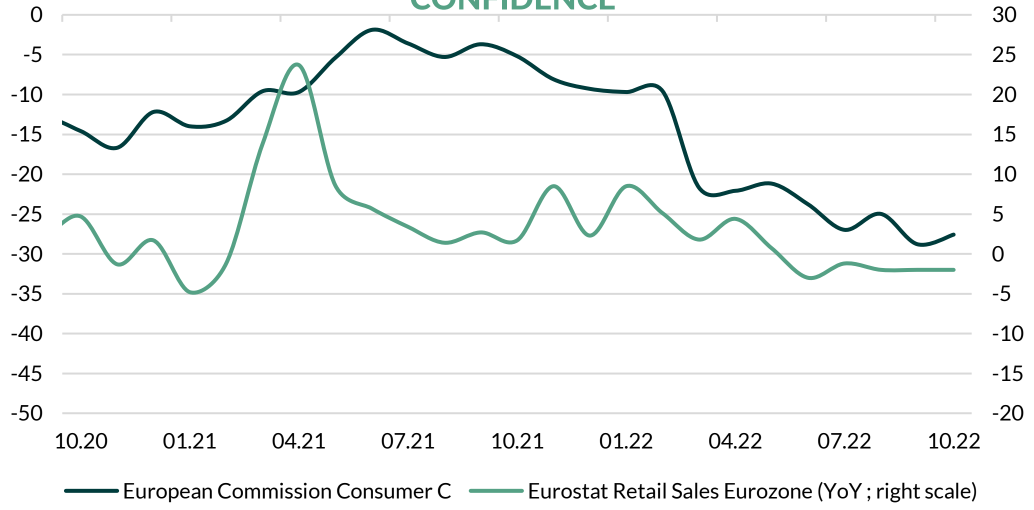
Sources: ODDO BHF AM SAS, Bloomberg | data as of 10/31/2022

Europe
HOW DEEP A RECESSION?

PMI SERVICES & MANUFACTURER



RETAIL SALES & CONSUMER CONFIDENCE



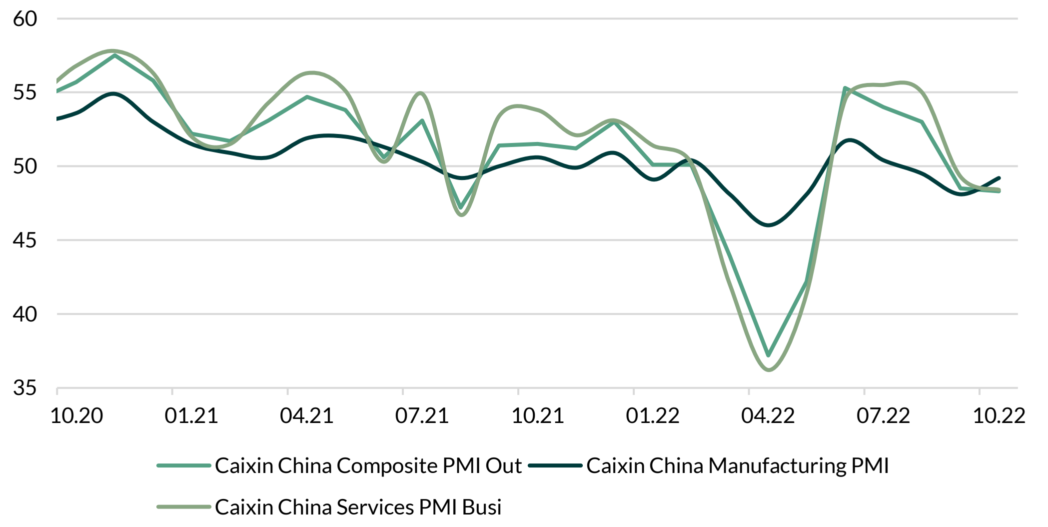
- PMI slipped further into contractive territory with dispersion at the country level
- France shows resilience especially on the services side, while southern countries weakened after the summer holiday induced support
- Still a huge gap between relatively resilient hard data and weak sentiment indicators. A convergence is likely with sentiment indicators rebounding from partly multi-decade lows but real data indicators slipping further
- Increasing fiscal efforts to buffer the energy blow for consumers and corporates might mitigate the drawdown but keep the ECB on inflation alert for longer
- The EZ is most likely already in a recession with Q4 and Q1 2023 probably posting significant declines

Sources: ODDO BHF AM SAS, Bloomberg | data as of 10/31/2022

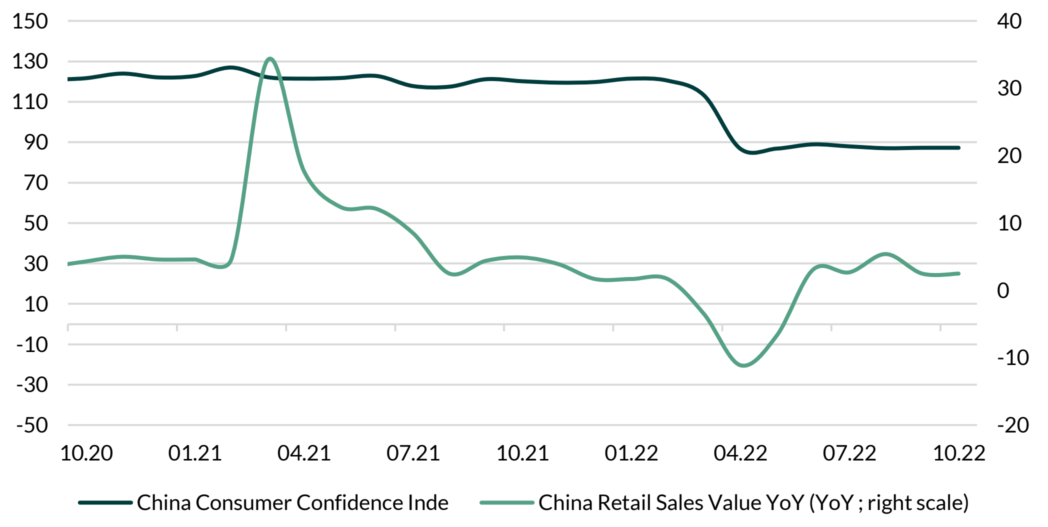
China

PARTY CONGRESS CONFIRMS RECENT POLICY AGENDA

PMI SERVICES & MANUFACTURER



RETAIL SALES & CONSUMER CONFIDENCE



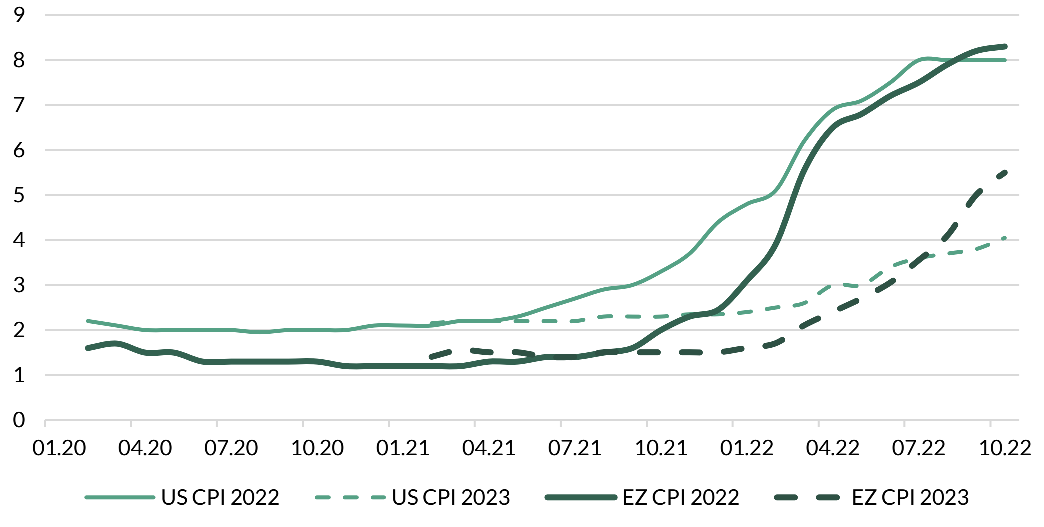
- Focus has shifted from growth to global hegemony and more even income distribution
- PMI releases show anemic private demand
- Despite stimulus measures China remains in the grip of the property market, rigid covid measures and a slipping global demand momentum

Sources: ODDO BHF AM SAS, Bloomberg | data as of 10/31/2022

Inflation expectations

LONGER-TERM EXPECTATIONS ANCHORED, BUT FOR HOW LONG?

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



YOY CPI ESTIMATES

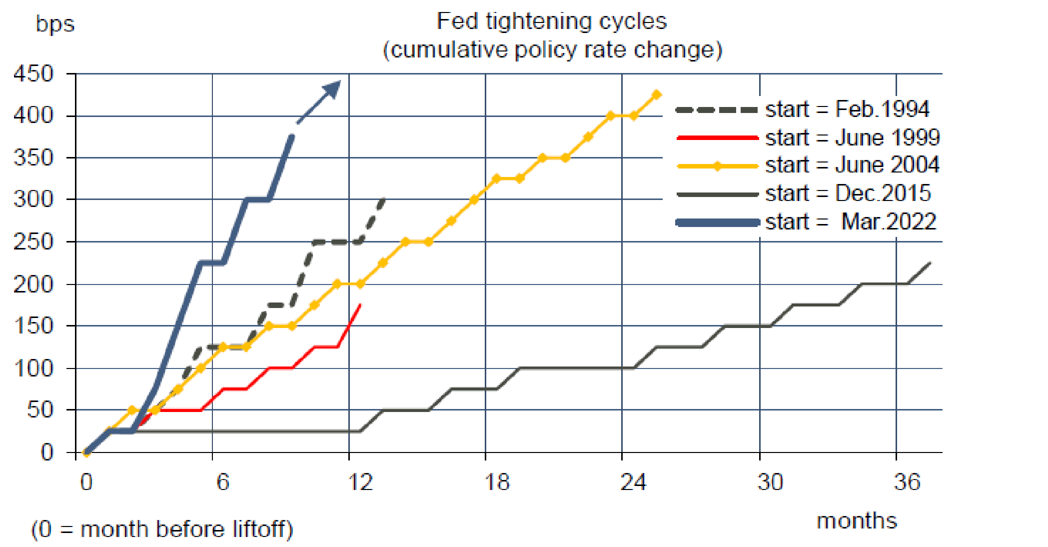
CPI YoY	Oct-22	Sep-22	1Y trend	5Y average	20Y average
Canada		6,9		3,1	2,6
U.S.		8,2		1,9	3,1
Brazil		7,2		2,7	7,8
Mexico		8,7		2,6	7,0
Chile		13,7		2,7	
Eurozone	10,7	9,9		1,5	2,5
Germany	10,4	10,0		1,7	2,2
France	6,2	5,6		1,1	1,9
Italy	11,9	8,9		1,2	2,4
Poland	17,9	17,2		3,0	
Sweden		10,8		1,7	2,0
Switzerland	3	3,3		0,4	0,7
U.K.		10,1		1,7	2,8
India		7,4		2,9	8,2
Indonesia	5,7	6,0		1,5	10,5
Malaysia		4,5		0,7	
Japan		3,0		0,4	0,2
South Korea	5,7	5,6		1,0	3,2
China		2,8		1,0	2,4
Hong Kong		4,4		0,9	1,6

- Michigan inflation expectations for 5-10 years still at 2.9%
- 10-year US breakeven inflation continues to trend broadly sideways since March 2020, currently at 2.5%
- This pattern of relatively tame longer-term inflation expectations is comparable to the Eurozone, but at higher levels and also with an acceleration over the last weeks
- 10-year German breakeven increased 35bp from a temporary October low to around 2%

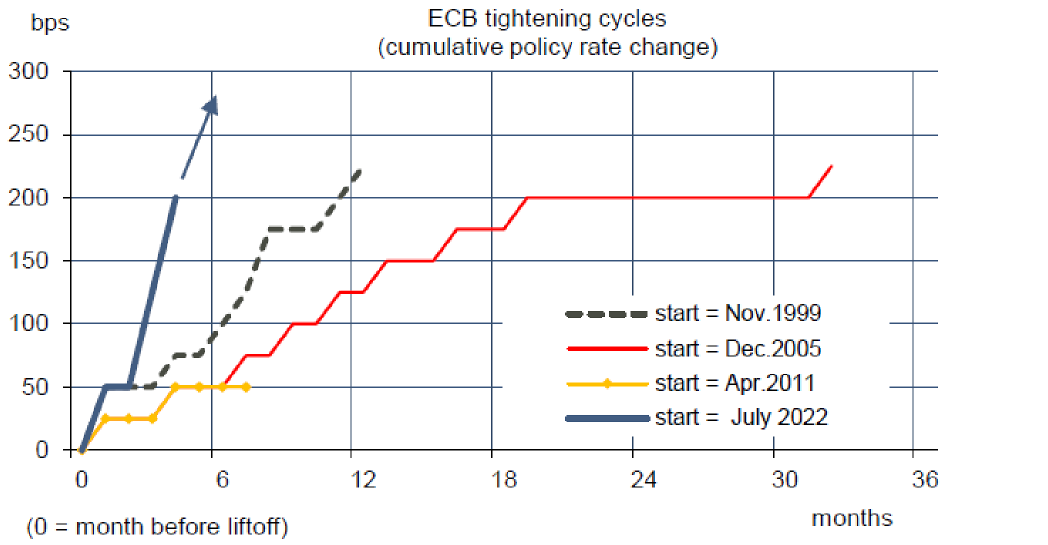
Sources: ODDO BHF AM SAS, Bloomberg | Data as of 10/31/2022

FED & BCE policies
MORE WORK TO DO

FED POLICY RATES



ECB: POLICY RATES

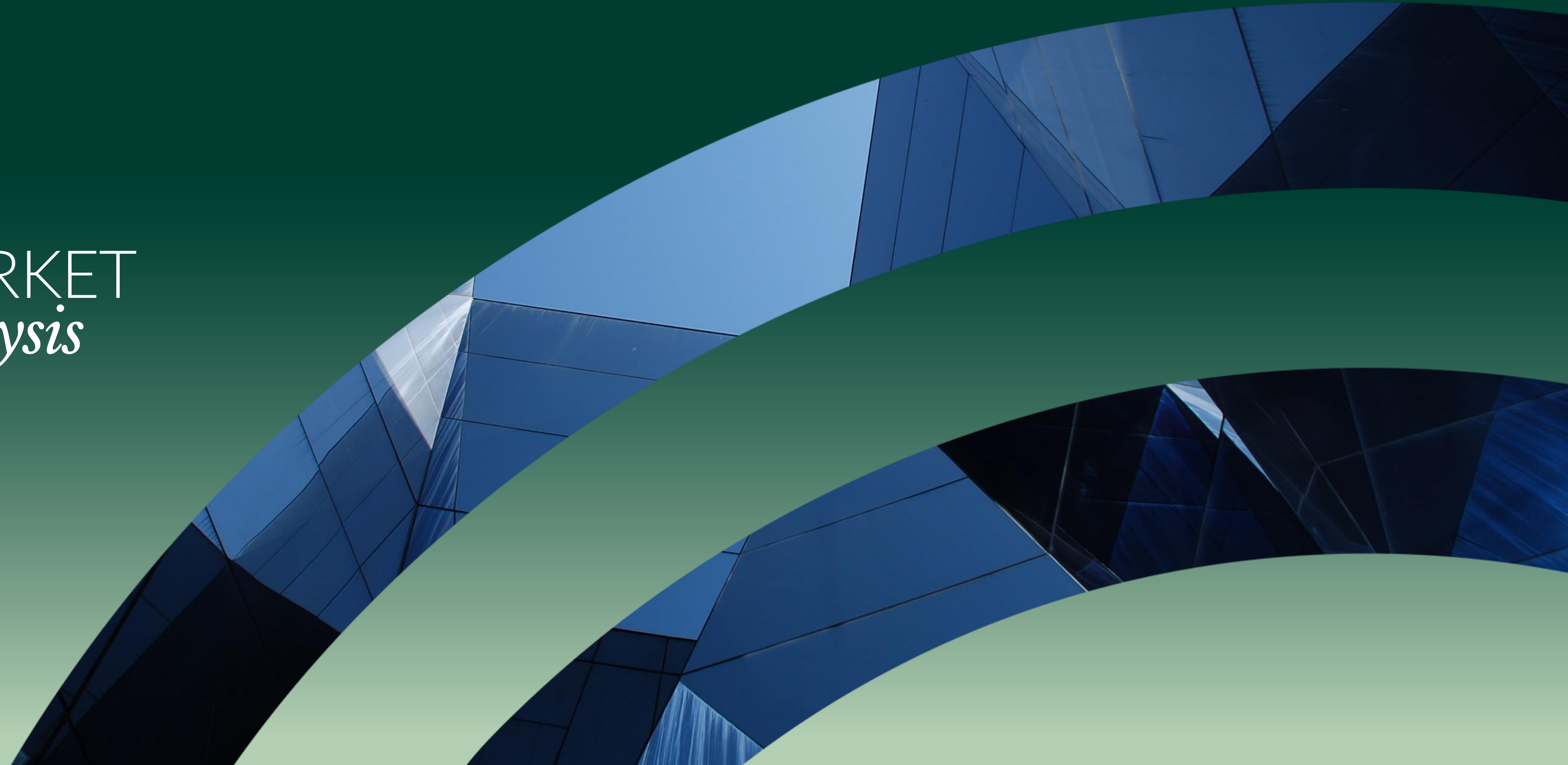


- FOMC lifted rates another 75bp at the November meeting, bringing the target rate to 4%
- Expectations for the terminal rate have increased to around 5.15% after a perceived hawkish Q&A session of Jerome Powell
- The FED is committed to hike further into restrictive territory, but the pace of hikes is certainly slowing
- The ECB is facing an even tougher job with more durable inflation pressure, recession at the gates and some credibility issues
- Expectations for the EZ terminal rate still hover around 3%, but might be too high

Sources: ODDO BHF AM SAS, Bloomberg, ODDO BHF Securities, Thomson Reuters, BCE

02

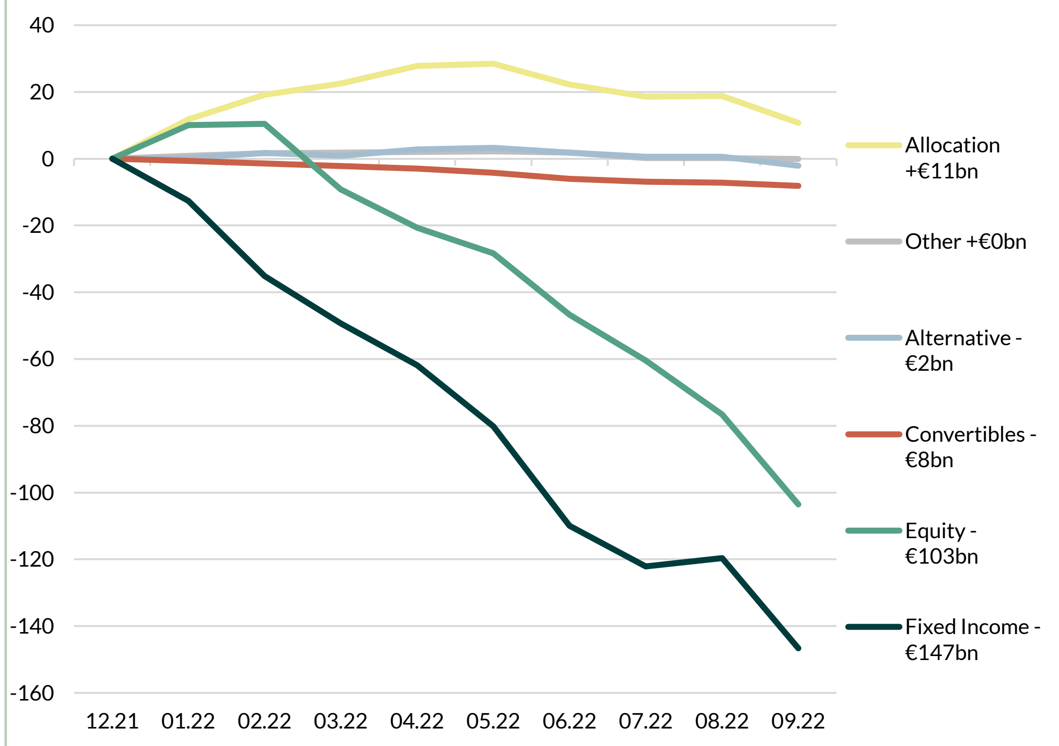
MARKET *analysis*



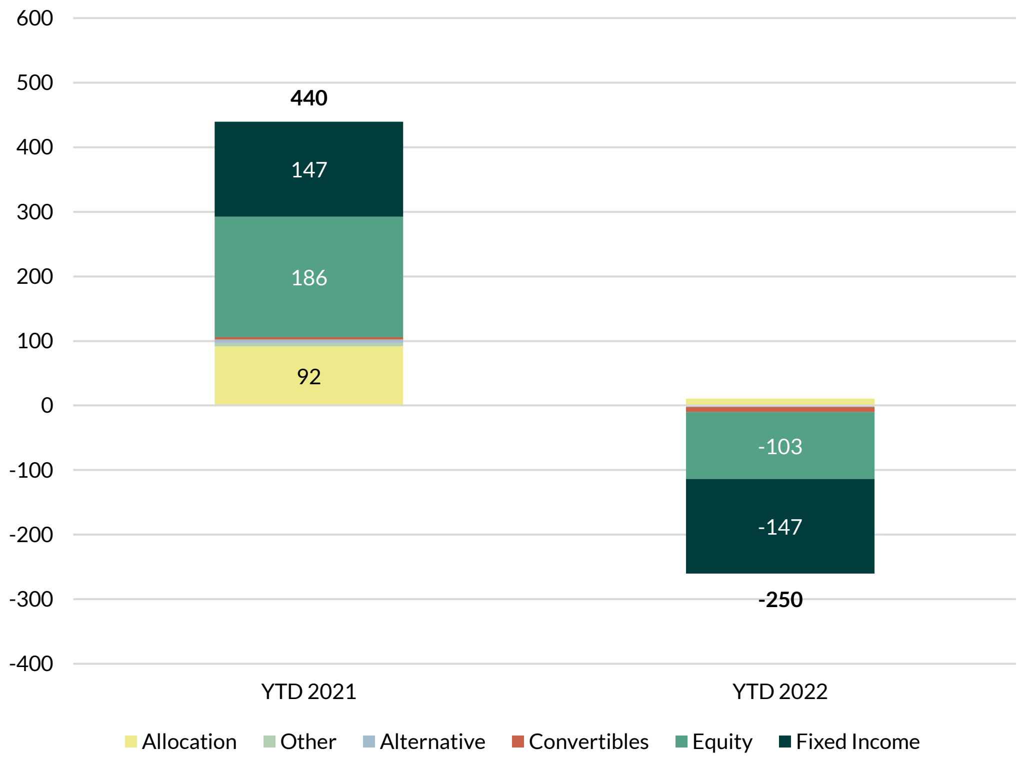
YTD European mutual fund flows

STRONG OUTFLOWS FOR EQUITY AND FIXED INCOME FUNDS

YTD CUMULATIVE FLOWS BY ASSET CLASSES (€BN)



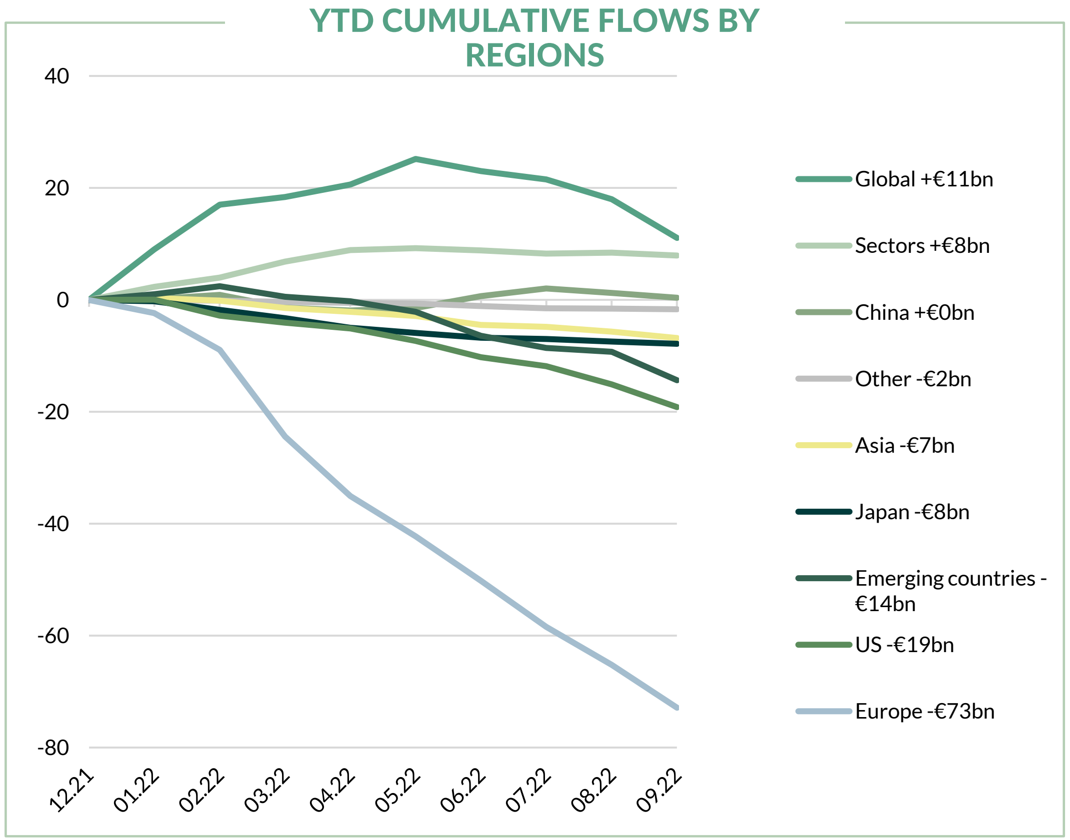
YTD COMPARISON VS YTD -1

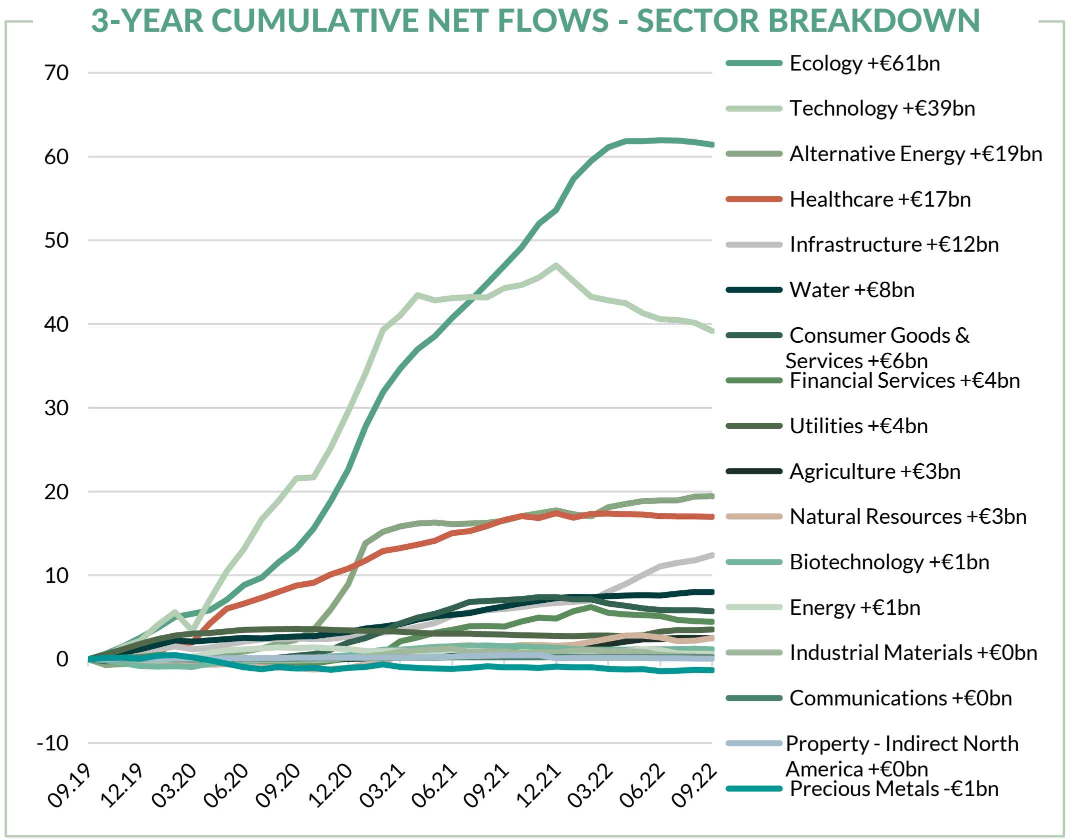


Source : Morningstar. Data as of 30.09.2022 (Europe OE ex ETF ex MM ex FoF ex Feeder (domiciled, most compr.)

European mutual fund flows – equity flows

EUROPEAN EQUITIES FACE THE HIGHEST REDEMPTIONS

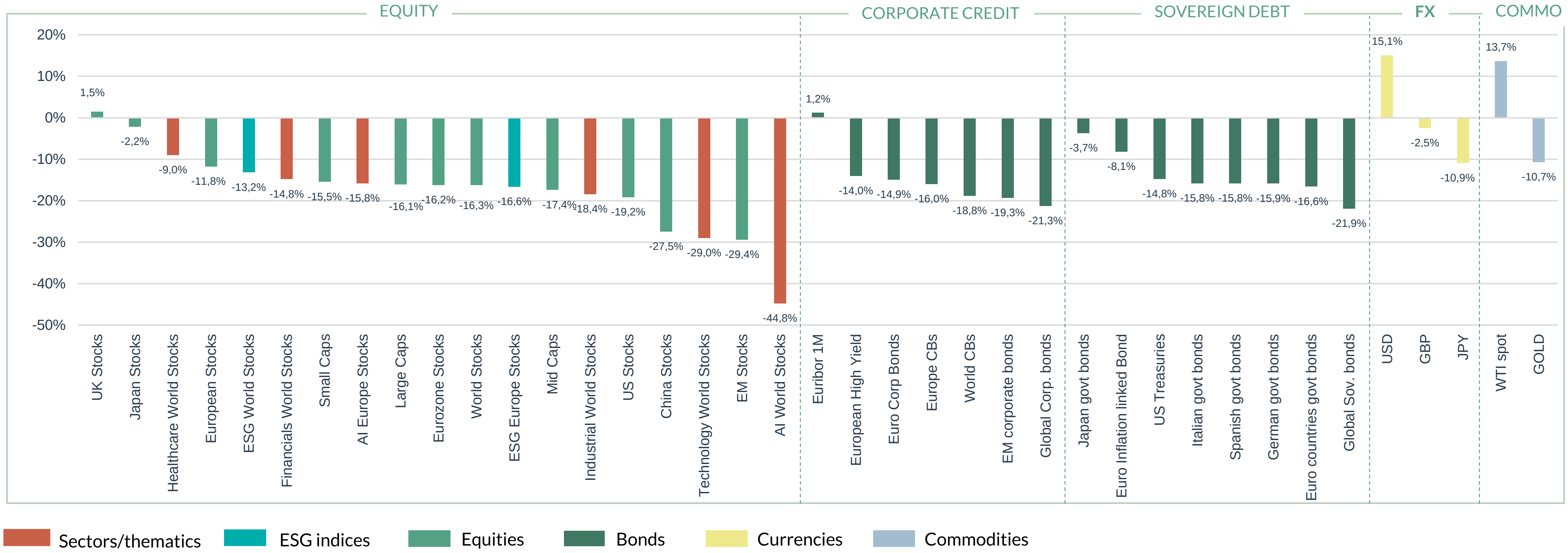




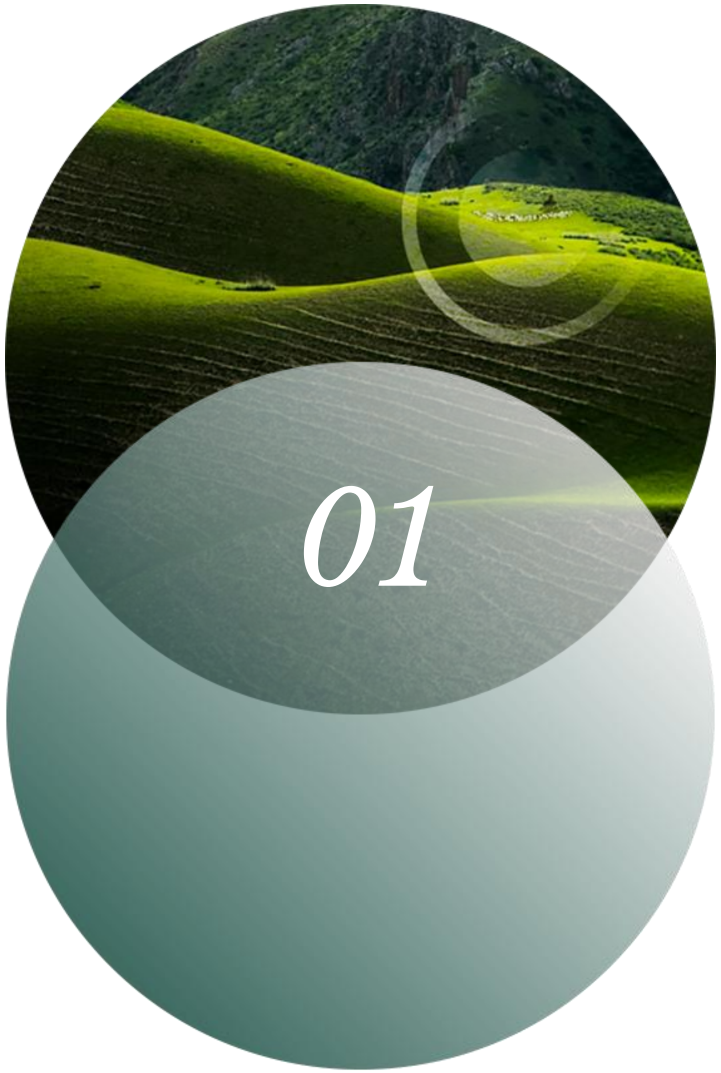
Source : Morningstar. Data as of 30.09.2022 (Europe OE ex ETF ex MM ex FoF ex Feeder (domiciled, most compr.)

Year-to-date performances of asset classes

EQUITIES AND COMMODITIES REBOUNDING IN OCTOBER



Past performances are not a reliable indicator of future performances and are not constant over time.
Sources: Bloomberg and BoA ML as of 10/31/2022; performances expressed in local currencies

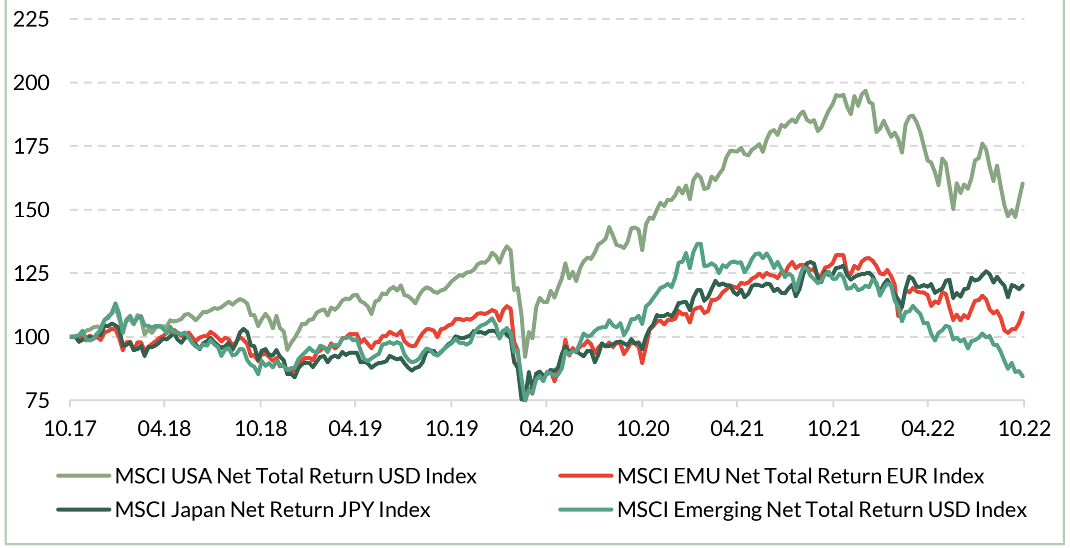


EQUITIES

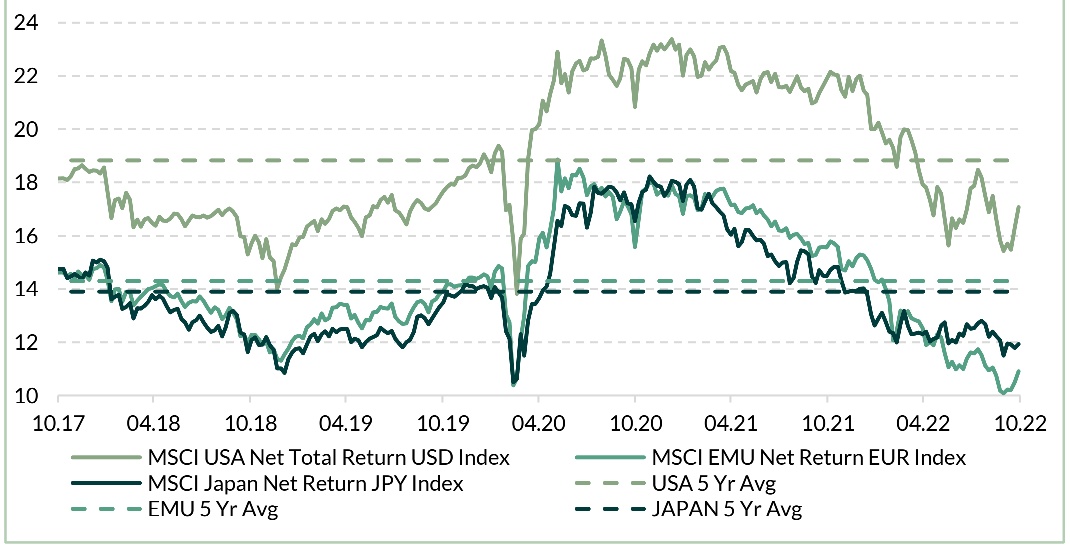
Equities

A WORLDWIDE RALLY, EXCEPT FOR CHINESE INDEXES

5-YEAR EQUITY MARKET PERFORMANCE



5-YEAR PRICE/EARNING RATIO



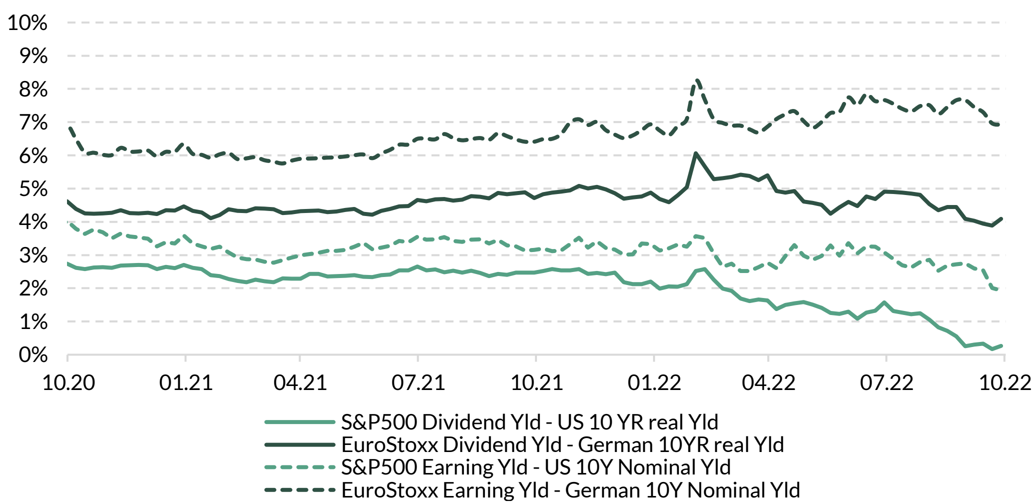
- Despite some positive surprises among Q3 earning publications, forecast for US equities forward earnings kept on being revised down.
- Revisions of 2023 earnings for S&P500 is now close to -5% since July's highs, while they were quite stable for Japanese and European equity markets.
- Equity indexes nevertheless strongly rebounded, led by a +14% move for the DowJones (+8% for S&P 500, and +4% for Nasdaq100)
- As most other equity markets also posted high single-digit monthly returns, Chinese equities kept on spiralling downwards (Shanghai -8%, HK HSCEI -15%).

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 10/31/2022

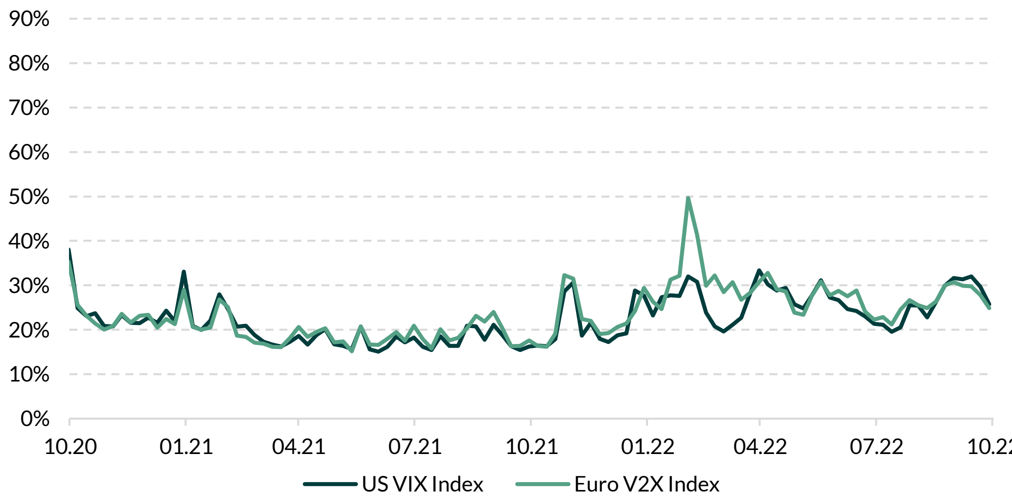
Risk premiums & volatility

BONDS VS EQUITIES: DISCONNECT?

EQUITY RISK PREMIUMS (NOMINAL AND REAL)



IMPLIED VOLATILITY INDEXES

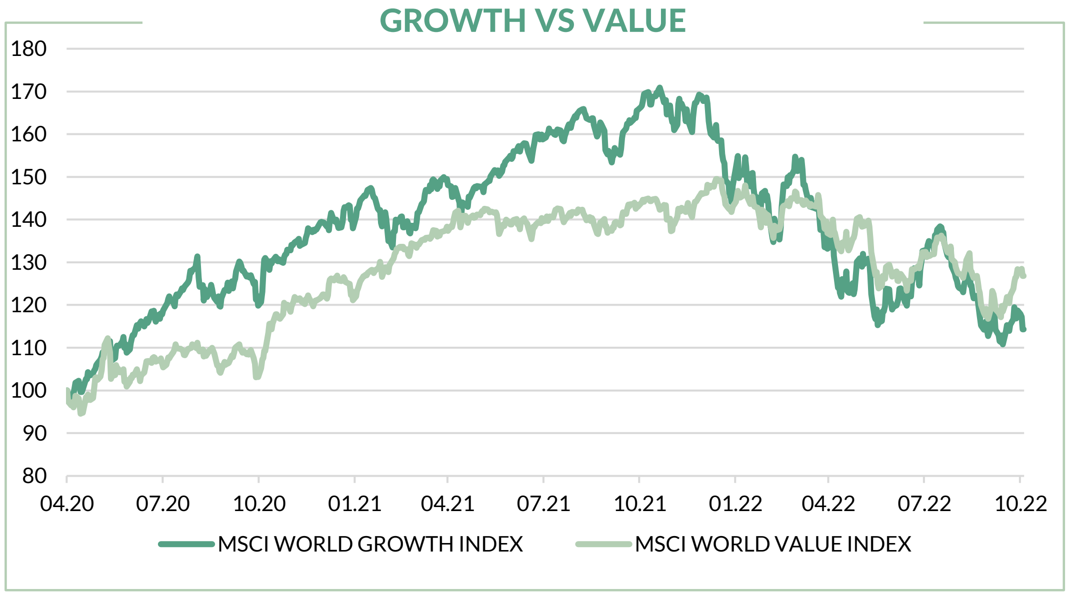


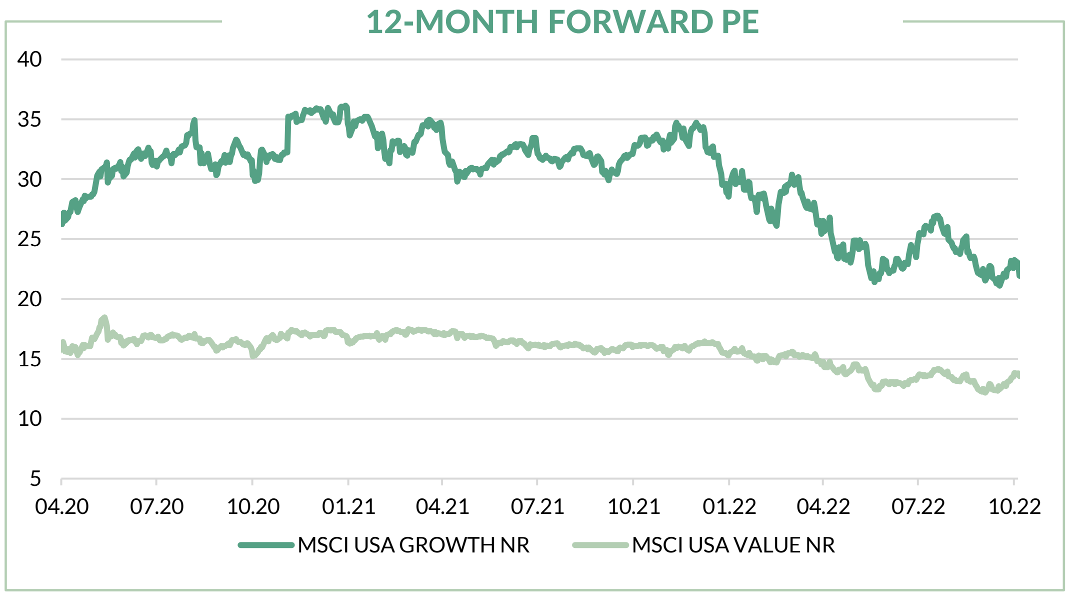
- Equity indexes seemed unconcerned by rising nominal yields: risk premia apparently dwindled.
- As inflation breakevens also rose in the bond market, and with Q3 earning season showing that many companies can pass through price increases, rather stable real yields may explain this noticeable overperformance of equities.
- Overall, equity markets volatilities remain quite moderate when compared with sovereign bonds.

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 10/31/2022

Equities performances – styles differential

VALUE OVERPERFORMING





- The difference in valuation vs value and growth kept decreasing slightly.
- Value sectors generally fared somewhat better during the earning seasons.
- S&P 500 Energy rose 24%, Industrials 14% and Financials 12%.

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 10/31/2022

European equities – sectors overview

CYCLICALS OVERPERFORMING

European Sectors	Stoxx 600	YTD return	2022e EPS Growth	2023e EPS Growth	2022e Sales growth	2023e Sales growth	Dividend yield	P/B value
	Weight	%	%	%	%	%	NTM*	LTM**
Automobiles and Parts	2,9	-17,0%	17,3%	-11,7%	8,8%	4,6%	6,2	0,6
Banks	7,1	-7,7%	5,6%	7,9%	-	-	7,1	0,6
Basic Resources	3,1	2,9%	9,1%	-31,9%	25,6%	-10,2%	6,4	1,4
Chemicals	4,3	-14,2%	13,3%	-9,8%	20,5%	-3,1%	3	2,4
Construction and Materials	3,1	-20,8%	1,1%	1,3%	13,5%	1,4%	3,5	1,9
Consumer Products and Services	6,1	-22,9%	14,8%	10,2%	16,8%	7,2%	2,4	3,5
Energy	6,6	23,7%	175,8%	-13,5%	62,0%	-5,9%	4,6	1,4
Financial Services	3,5	-23,3%	-19,6%	15,4%	-	-	3,6	1,2
Food Beverage and Tobacco	8,4	-8,0%	12,2%	9,0%	14,5%	6,0%	3,3	3
Health Care	17,2	-8,2%	12,2%	8,7%	11,4%	4,6%	2,7	3,5
Industrial Goods and Services	12,3	-19,9%	16,5%	-1,6%	16,1%	-0,3%	2,8	2,9
Insurance	4,9	-5,1%	-7,3%	33,0%	-	-	6,2	1,1
Media	1,6	-10,6%	8,6%	12,3%	13,2%	6,0%	2,8	3,1
Personal Care Drug and Grocey	3	-15,1%	-0,2%	7,8%	10,1%	4,9%	3,6	3
Real Estate	1,3	-39,6%	9,8%	3,3%	-	-	5,6	0,7
Retail	0,7	-37,0%	-2,9%	1,8%	9,2%	3,9%	4,2	2,4
Technology	5,9	-29,5%	4,6%	21,6%	16,9%	8,1%	1,4	4
Telecommunications	3,1	-13,3%	10,4%	6,3%	4,7%	2,4%	5,4	1,3
Travel and Leisure	1	-14,8%	-	-	66,4%	15,3%	1,5	2,9
Utilities	3,9	-13,5%	2,6%	21,1%	5,6%	-8,7%	5,4	1,7
Stoxx 600		-13,4%	21,1%	1,9%	19,6%	-0,4%	3,8	1,7

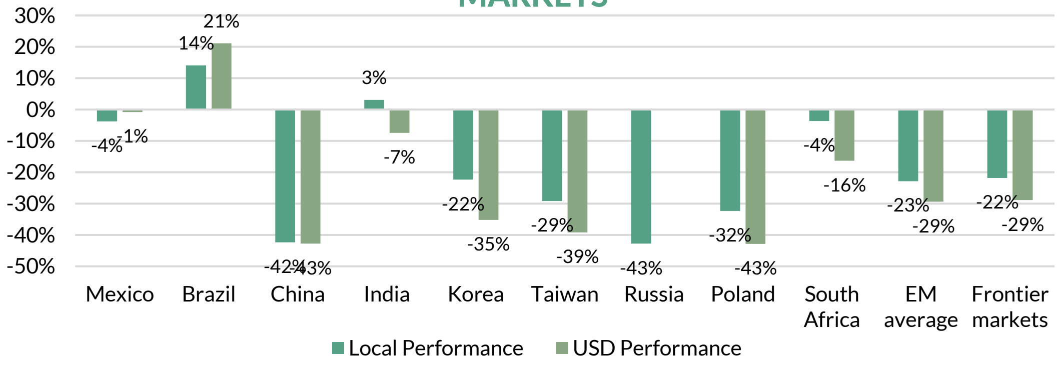
*Next Twelve Months | **Last Twelve Months

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

Emerging markets

CHINA: SELL-OFF

YTD EQUITY PERFORMANCE ON MAJOR EMERGING MARKETS

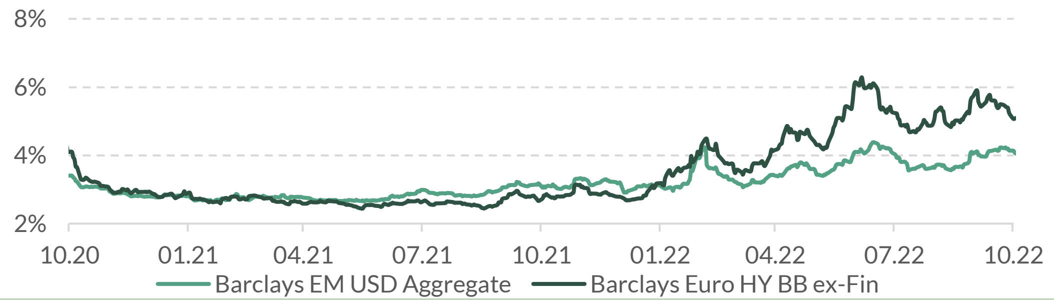


EPS (INCLUDING LOSSES) GROWTH & PE (LOCAL CURRENCY)

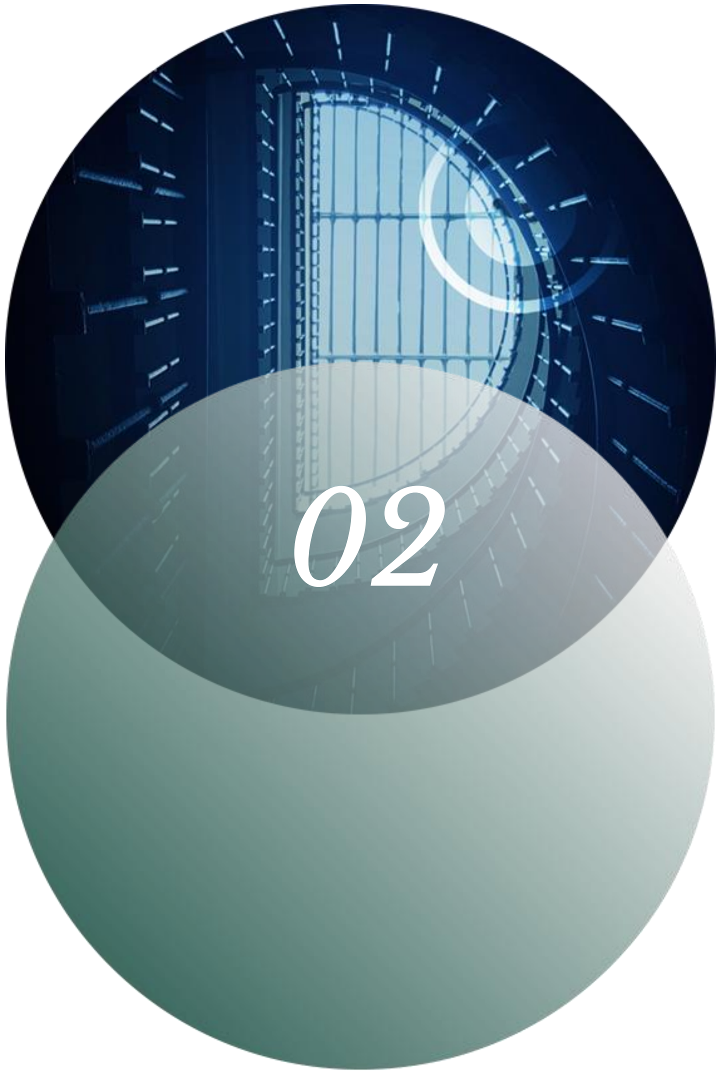
Emerging	PE 12mth fwd	2022/2021 est EPS Growth	2023/2022 est EPS Growth	Dividend Yield (trailing 12m)
MSCI EM	10,7	-11%	2%	3,48%
MSCI CHINA	9,9	-8%	15%	3,08%
MSCI KOREA	9,5	-4%	-11%	2,50%
MSCI INDIA	24,3	8%	19%	1,22%
MSCI INDONESIA	14,1	30%	5%	2,86%
MSCI PHILIPPINES	15,9	28%	20%	2,11%
MSCI MALAYSIA	14,6	6%	13%	4,16%
MOEX Russia Index	*2,5*	*47%*	*-5%*	*10,20%*
WSE WIG INDEX	5,8	15%	-14%	3,72%
MSCI TURKEY	4,1	157%	-10%	2,73%
MSCI SOUTH AFRICA	9,0	10%	12%	4,60%
MSCI BRAZIL	6,1	6%	-10%	9,20%
MSCI COLOMBIA	4,8	29%	-11%	9,92%
MSCI MEXICO	13,5	21%	6%	3,46%

- Apart from China & Taiwan, almost every markets moved up in October.
- Turkish equity market overperformed once more (BIST +25% over the month, and 121% YtD). Even with a falling TRY, the performance is impressive (+81% YtD in EUR).
- In Mexico, equities also rebounded sharply (+11%). With the Peso up 4% YtD, Mexican equities returns are turning positive YtD in USD…

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



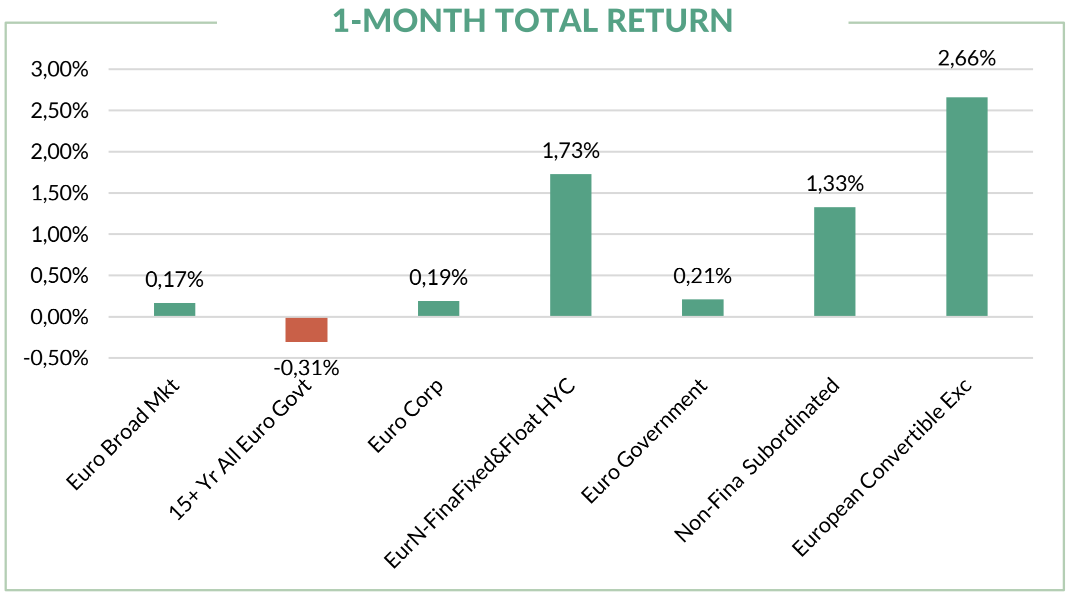
Past performances are not a reliable indicator of future performance and are not constant over time.
Sources: Bloomberg, ODDO BHF AM SAS | Data at 10/31/2022

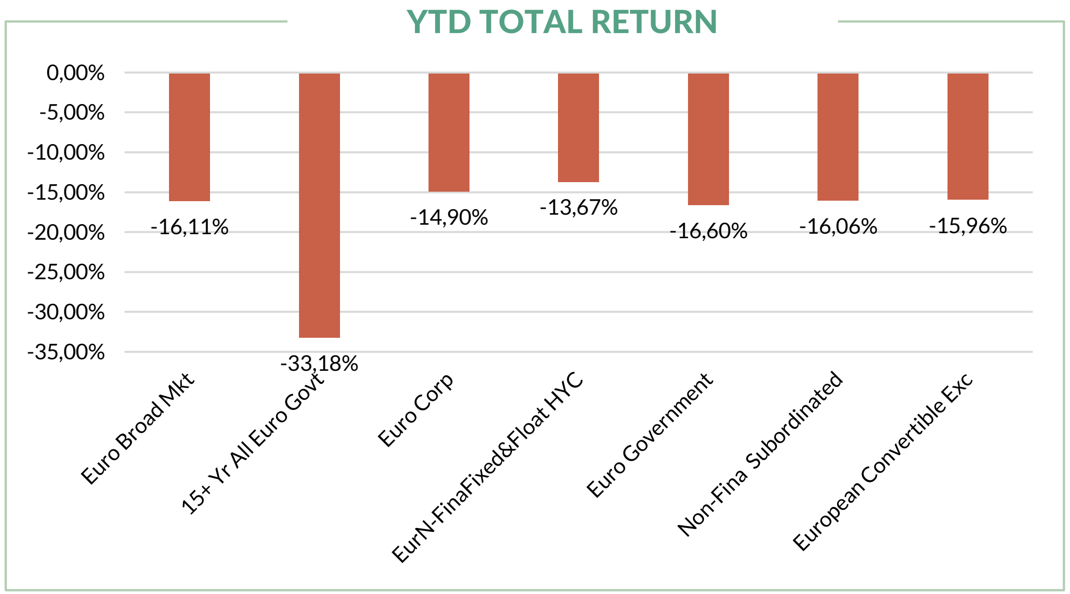


FIXED INCOME

Performance fixed income segment

OCTOBER JUST A PAUSE OR IS A RATE PLATEAU IN SIGHT?



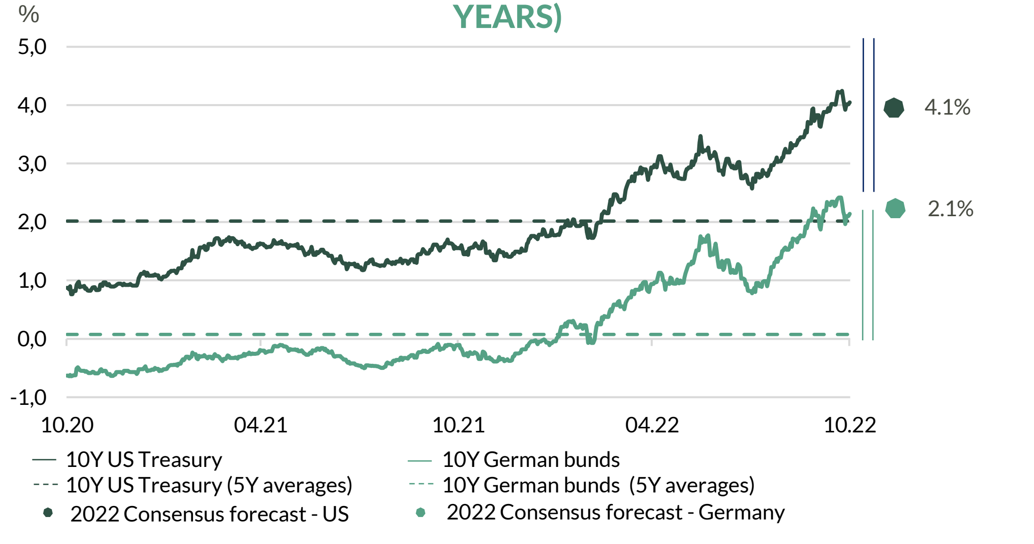


Past performances are not a reliable indicator of future performances and are not constant over time
Source: ODDO BHF AM, Bloomberg, data as of 10/31/2022

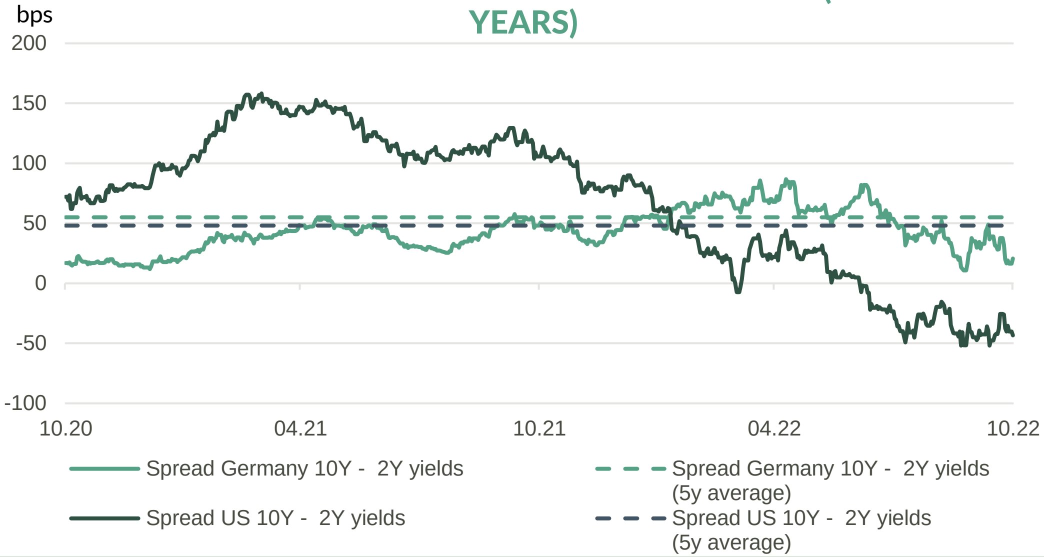
Rates

A MARATHON NOT A SPRINT

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



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

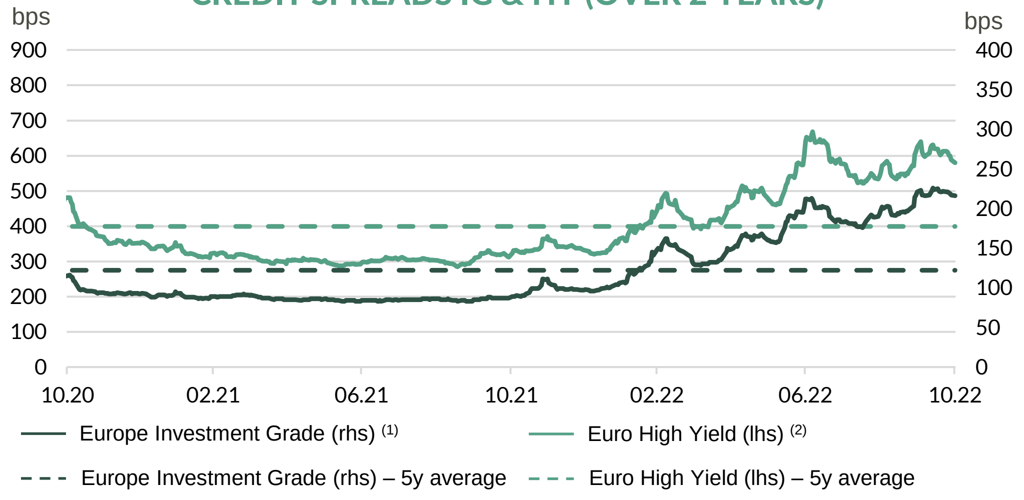


- Yield cycle is likely not over but appears to be quite progressed
- Inflation in the US should have peaked and fall during H1 2023
- Central banks are slowly approaching their target region
- Recession in the EZ may be already underway and reduce upside pressure on yields
- Still a flattening trend, but further potential appears limited

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 10/31/2022; RHS: Data as of 10/31/2022

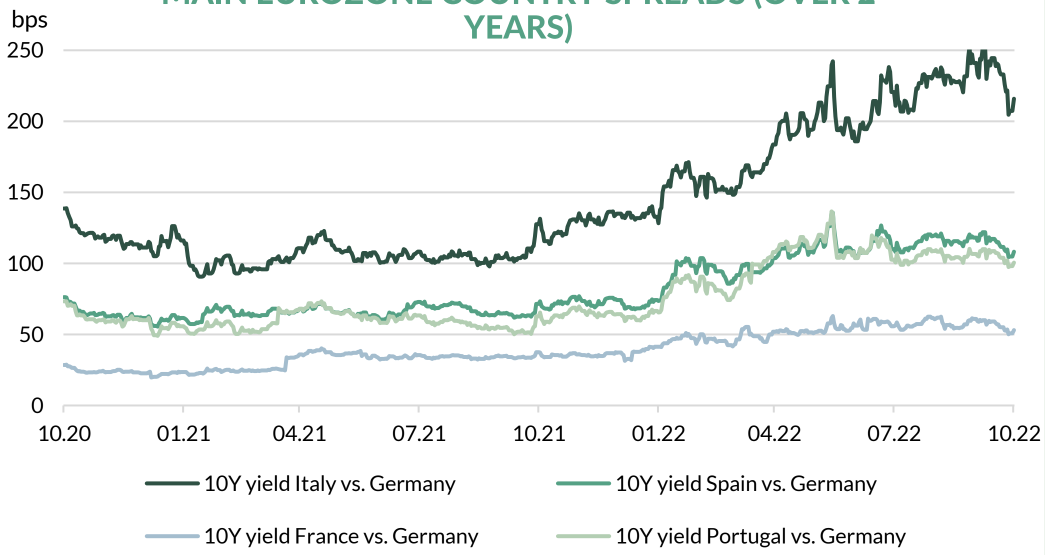
Credit Spreads
A GOOD ENTRY POINT?

CREDIT SPREADS IG & HY (OVER 2 YEARS)



(1) BofA Merrill Lynch Euro Corporate Index (ER00)
(2) BofA Merrill Lynch Euro High Yield Non-Fin. Constr. (HE00)

MAIN EUROZONE COUNTRY SPREADS (OVER 2 YEARS)

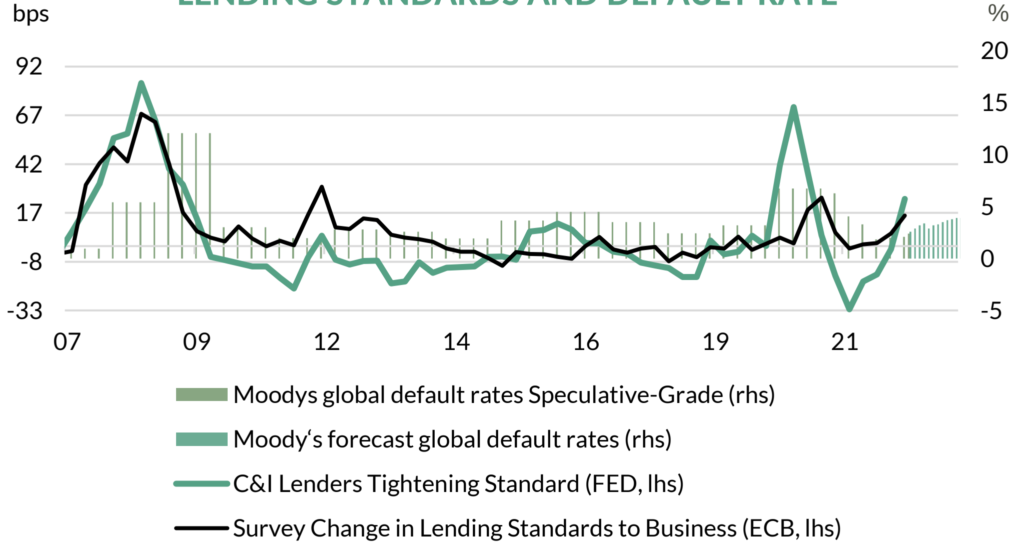


- Spreads showed signs of stabilization across sectors and asset classes
- High yield rebounded in line with improving equity markets
- Investment grade shows value given attractive carry, relatively high spreads and the historical pattern which suggest that spreads reach their highest point very early in a recession

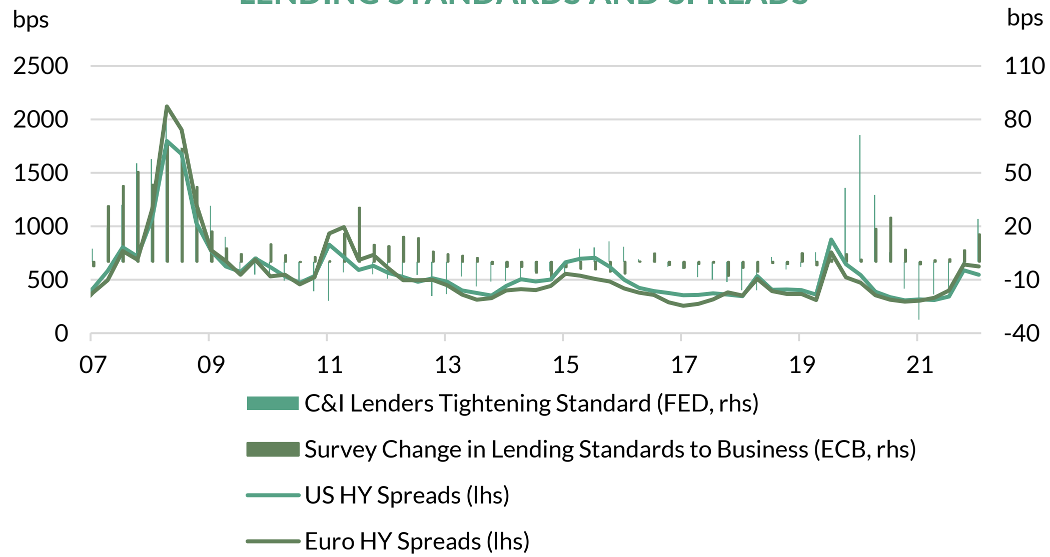
Past performance is not a reliable indicator of future performance and is not constant over time.
Sources: ODDO BHF AM SAS, Bloomberg | Data as of 10/31/2022

Financial conditions MUCH TIGHTER

LENDING STANDARDS AND DEFAULT RATE



LENDING STANDARDS AND SPREADS



- Risk-off moves and faster central bank hikes have resulted in a sharp tightening of financial conditions

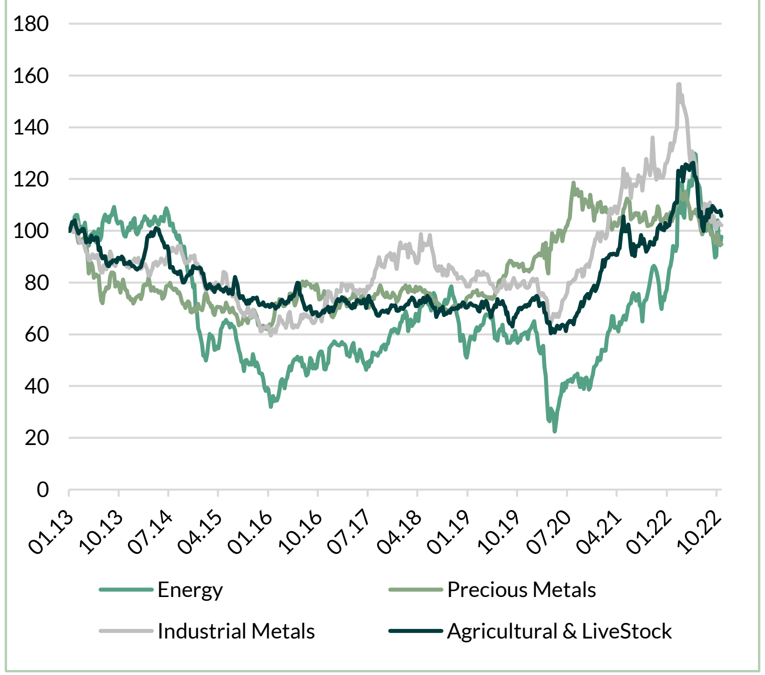
Source: Fed, ECB, Bloomberg | Moody's as of 10/19/2022, Lending Standard & Survey Change as of 09/30/2022, Spreads as of 09/30/2022

COMMODITIES & CURRENCIES

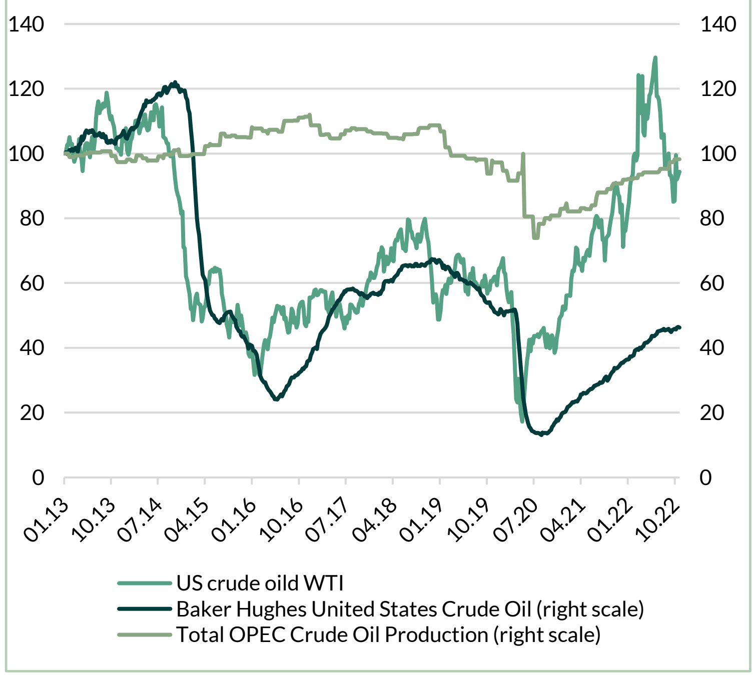
Commodities

PRICING A LOWER DEMAND

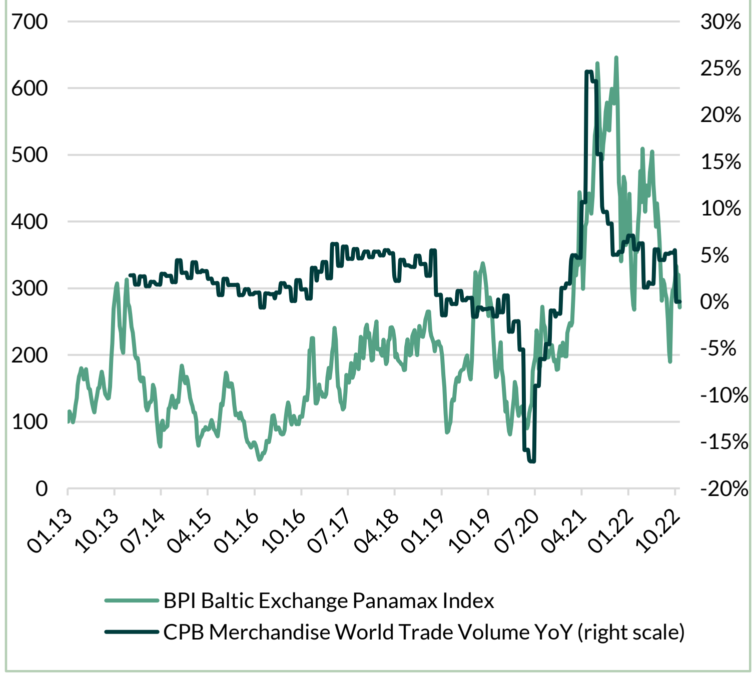
METALS



OIL



FREIGHT



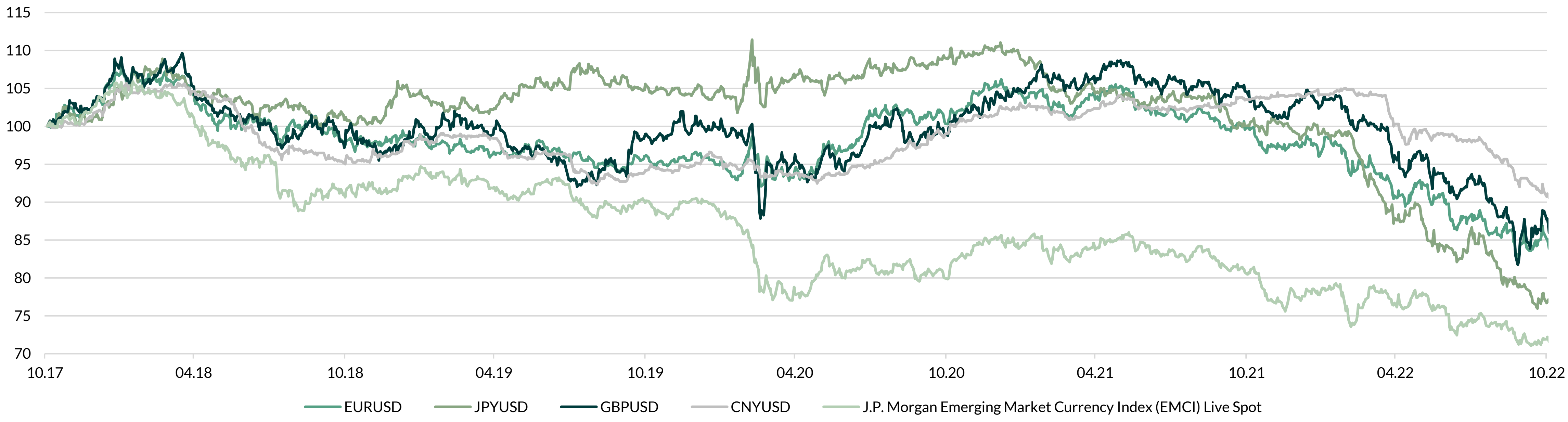
- Average performance of industrial metals, precious metals and agricultural products was close to flat over the month.
- Strong rebound of energy products (GSCI Energy +8%), led by gasoline and heating oil.
- Some price decreases in the US and European gas markets…but structural issues remain.

Past performances are not a reliable indicator of future performance and are not constant over time.
Sources: Bloomberg, ODDO BHF AM SAS | Data at 10/31/2022

Currencies

USD: PIVOT OR PAUSE?

CURRENCIES - CHANGE OVER 5 YEARS



- While volatility remain elevated, and among renewed emergency intervention of major central banks (BoE on bonds, BoJ directly acting on FX), the USD rally seemed to moderate.
- Albeit JPY eventually still lost -2.7% over the month, EUR and GBP appreciated 0.8% and 2.7% respectively. The DXY average basket of currencies eventually appreciated +0.5%, after 4 monthly consecutive losses.
- Among EM currencies, LatAM currencies jumped higher (MXN 1.7% and BRL +4.5%), as did the Indian Rupee (+1.7%), while CNY fell significantly (-2.6%)

Past performances are not a reliable indicator of future performance and are not constant over time.
Sources: Bloomberg, ODDO BHF AM SAS | Data at 10/31/2022

CURRENT CONVICTIONS *03*

Scenarios
OUR 6-MONTH VIEW

01 *Central scenario*

Global GDP negatively impacted by the ongoing Russian/Ukrainian conflict, mainly through higher energy prices, their influence on overall inflation and more hawkish central banks. Especially in the Eurozone, confidence is decreasing due to the energy situation, a recession is the base case now. So far, corporate earnings are solid, but margins are increasingly at risk. Supply chain issues ease.

EUROPE

- Growth slowdown due to increasing energy prices, overall high inflation and a more restrictive monetary policy.
- Inflation stays highly elevated and is broadening, as second-round effects have started. Fiscal policy can offset the inflation shock only to a limited degree. The inflation peak is still to come.
- ECB has to stay hawkish in order to bring inflation down, despite elevated macroeconomic uncertainty
- Exporters benefit from the weak Euro currency, supply chains less disrupted
- Equity valuations have improved recently

US

- So far, corporate fundamentals and the labor market remain resilient. In general, the US economy is less affected by the energy crisis
- While inflation should have peaked already, the FED remains committed to the goal of price stability
- Equity valuations less attractive compared to European equities

STRATEGY

- Flexibility, increased liquidity buffers
- Hedging (options)
- Currencies for further diversification

OVERWEIGHT

- Short Duration IG
- Cash

UNDERWEIGHT

- European Small Caps
- Euro Government Bonds

60%

02 *Alternative scenario #1*

Severe energy crisis in Europe, surge in inflation and hawkish ECB

- Surging energy prices, potential shortfall in available energy, loss of consumer & business confidence
- Central banks in dilemma situation given overshooting inflation
- China growth substantially below trend, increasing supply chain disruptions again
- Global financial / debt crisis
- Market volatility remains elevated

OVERWEIGHT

- Alternative strategies
- Cash

UNDERWEIGHT

- Equities
- Credit

30%

03 *Alternative scenario #2*

Upside scenario

- Volatility on energy markets decreases, Russia increases gas supplies again
- Less (additional) pressure on inflation
- Central banks reduce their very hawkish stance as monetary policy starts to show effects on inflation figures and/or energy prices decrease
- Decreasing freight rates and less disrupted supply chains support the global economy

OVERWEIGHT

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

UNDERWEIGHT

- Alternative Strategies
- Cash

10%

Source: ODDO BHF AM, as of 11/02/2022

Our current convictions FOR EACH ASSET CLASS

Change from the last GIC meeting

Equities	Large cap Eurozone			0		
	Mid cap Eurozone			0		
	Small cap Eurozone		-1			
	UK		-1			
	USA		-1			
	Emerging markets			0		
	Japan			0		
	China			0		
Currencies	USD/€			0		
	YEN/€				1	
	GBP/€		-1			
	CHF / €				1	
Commodities	Gold			0		
	Crude oil			0		

Source: ODDO BHF AM, as of 11/02/2022

Our current convictions FOR EACH ASSET CLASS

Change from the last GIC meeting

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

Source: ODDO BHF AM, as of 11/02/2022

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

Sept. 22 • Carry on
Jan. 22 • Make 2022 an opportunity
Sept.21 • “Breathless?”

MONTHLY INVESTMENT BRIEF

Oct. 22 • "Cheap" - a necessary but not sufficient condition
July 22 • It’s all about timing
June. 22 • Bull & Bear – It's not all about recession
May. 22 • A complex equation
Apr. 22 • Tomorrow there will still be time
Mar. 22 • Ukraine war: which impacts?
Feb. 22 • The virtues of uncertainty

MARKET VIEWS

14/10/22 • The 73/74 oil crisis: parallels and differences with the Ukraine conflict
14/10/22 • Five lessons from the UK bond market crash
20/09/22 • Europe: a recession is inevitable
20/09/22 • Recession looms - and what do we do now?

VIDEOS

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

SUSTAINABLE INVESTING

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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ASSET MANAGEMENT

ODDO BHF Asset Management SAS (France)

A portfolio management firm certified by the French Financial Markets Authority (AMF) under n°GP 99011. Established in the form of a simplified joint-stock company with authorised capital of €21,500,000. Entered into the Paris Register of Trade and Companies under number 340 902 857.

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