MONTHLY *investment* BRIEF

ODDO BHF ASSET MANAGEMENT

Beneath the surface

After a straight-line upward movement for most asset classes in Q1, Q2 has been more mixed. Entering H2, the big picture remains broadly supportive. However, beneath the surface, financial markets appear vulnerable to multiple threats, from stalling activity momentum and toppish technicals to faltering Tech leadership and election uncertainty. The impending earnings season is unlikely to provide much relief. Is this the calm before the storm? **While this is clearly not our base case**, we see conditions in place for financial markets to take a summer break.

Economies show signs of softness

In the United States, recent trends indicate fading momentum in growth expectations, with the US economic surprise indicator moving into negative territory. Meanwhile, the US unemployment rate has risen to 4.1%, breaking through its 36-month moving average for the first time since the COVID crisis. Historically, when this has occurred, a quick spike in the unemployment rate has followed.

In Europe, the significant fall in June PMIs (45.8 for PMI Manufacturing), the decline in Germany's IFO business climate index, and the downturn in the European Commission Business and Consumer Survey suggest that the nascent recovery remains fragile. Political uncertainty in France is not helping matters.

Moreover, the effects of restrictions on shipping in the Red Sea and Panama Canal are being felt globally. World trade is under immense strain amid rising freight costs and potential increases in supply chain disruptions. The impact on global GDP growth will not be negligible.

Bad news is good news… for now

Despite the softening economic backdrop ("bad news"), prices in financial markets have been rising overall. This seemingly counterintuitive behaviour stems from the fact that a weakening economy heightens the prospects for rate cuts by central banks ("good news"). As long as the Fed keeps the door open to a first cut in September, markets may give it the benefit of the doubt and view bad data positively.

However, disappointment may follow if at least two rate cuts do not occur before the end of 2024. This scenario is our central forecast with normalising corporate pricing, decelerating wages, and range-bound energy prices.

The story is quite different for the ECB, as economic growth remains lackluster in the Eurozone and inflation continues edging towards 2%. To that extent, bad news is indeed good news.

Political risk acts as a headwind

In the super-election year of 2024, when almost half the world's population will go to the polls, election uncertainty is weighing on the economic outlook and amplifying the likelihood of a more rangy rather than trendy market in H2. The upcoming US election will surely bring market-moving headlines. Our conviction is that a Trump victory poses a risk for Europe but would likely benefit US equities (Small Caps, domestic Cyclicals, Banks, Tech, Healthcare, Energy). Conversely, European and Chinese equities may be seen as the losers in such a scenario, particularly export-oriented sectors like Automotive and Semiconductors. Another macro question related to US politics is how labour supply might be constrained if there's a slowdown in the flow of migrant workers.

Technicals are toppish for risky assets

Overall, the current state of market sentiment means that a lot of good news will be needed to sustain momentum, while any bad news could lead to more significant and widespread declines. A recent JP Morgan survey shows that only 17% of global investors are likely to increase their equity exposure, compared with 34% three months ago – one of the lowest figures in two years.

Specifically in the US, the S&P 500 index has not fallen by 2% or more in over a year, the longest such period since 2017. With the five largest companies representing 27% of the index, questions are being raised as to whether this rally should "take a breather", especially since the top 10 companies posted double-digit performance (14%) over the past three months, while the remaining 490 were, on average, slightly in the red. This "fatigue" is particularly visible in Tech, where concentration and investor positioning are both extreme, suggesting the market needs a break.

Source: ODDO BHF AM, comments as of 11/07/2024.

Earnings season is a much-needed catalyst for the market, but EPS expectations look too high

Positive EPS momentum has helped European and US equities cope with higher-for-longer rates this year. However, EPS revisions have likely peaked as the PMI rebound is stalling and macro surprises have recently turned negative. The risk of further downward EPS revisions has also increased significantly for both Europe (+5% for 2024e and +10% for 2025e) and the US (+11% for 2024e and +15% for 2025e), driven by a slowing economy, worsening business climate (elections, tariffs, fiscal policies…), and the pressure on profit margins. Some recent profit warnings (Airbus, Dassault Systèmes, Volkswagen, BP, Indivior…) point in that direction.

With valuations no longer exceptionally cheap (particularly in the US with a P/E 12-month forward at 21.4x), we do not expect any salvation from multiples expansion.

Positioning in a “time to breathe” mode

Equities: We remain neutral on Equities with a structural preference for the US vs. Europe. Our primary focus remains on quality and growth. After a strong outperformance in Q1, Cyclicals have overall underperformed Defensives in Q2. This rotation in favour of Defensives has been fueled by recent earnings trends. Given their relative valuation, we continue to prefer Defensives which, in our view, have more room for outperformance than Cyclicals.

As regards sectors, our preference is for Healthcare, and Artificial Intelligence favouring Software over Semiconductors. We also recommend a strategic position in Eurozone Small & Mid-Caps: liquidity remains paramount for this asset class, and the recent ECB rate cut is moving in the right direction. Additionally, valuations are lagging and appear very attractive. However, we continue to avoid France-exposed stocks, viewed as dead money.

Rates: For Europe, we maintain a strategically long duration position amid lacklustre economic growth indicators and expectations of continued disinflation. We prefer Core Sovereigns but stay away from France, as we expect the French OAT Bund spread to widen in the medium term. For the US, we are neutral duration. The soaring odds of a Trump presidency leads to a rising term premium, implying much higher long yields. This also prompts us to be even more cautious on the longer part of the curve.

Credit: We remain constructive on credit risk as credit markets continue to provide attractive carry with low volatility. In Europe, we favour a dual approach, with Long Duration in Investment Grade and Short Duration in High Yield to benefit from the carry. The quality segment in High Yield appears to be expensive. We also remain very cautious about the over-indebted Real Estate sector. We are negative on US High Yield.

Take a break but stay alert

Overall, when we consider the global outlook, the environment is a rather supportive one for risky assets. However, there are plenty of concerning developments below the surface leading to downside risks in the “higher for longer” scenario. While we should enjoy the well-deserved break and the calm on the surface while it lasts, we also need to stay alert in case any tail scenarios materialise during the summer.

LAURENT DENIZE
Global Co-CIO, ODDO BHF

Source: ODDO BHF AM, comments as of 11/07/2024.

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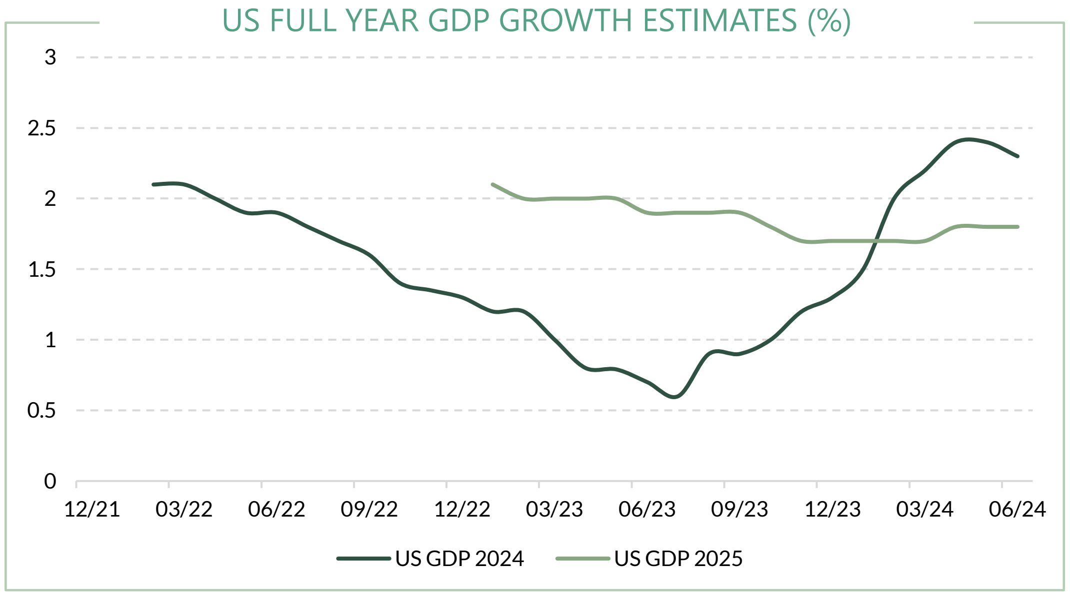
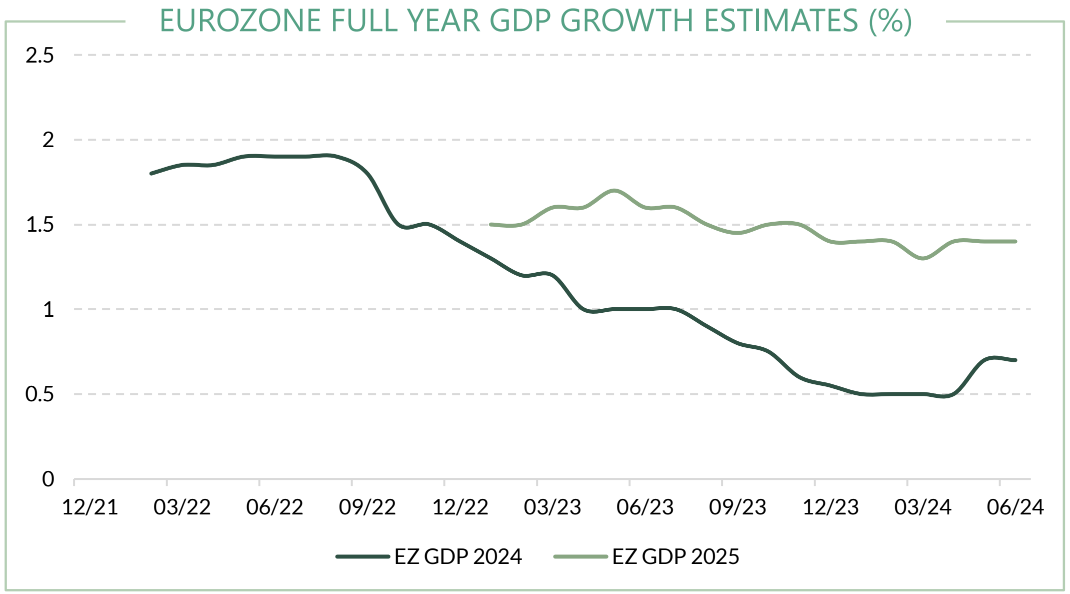
01

MACROECONOMIC *outlook*

Growth outlook

GROWTH GAP SHRINKS (A BIT)

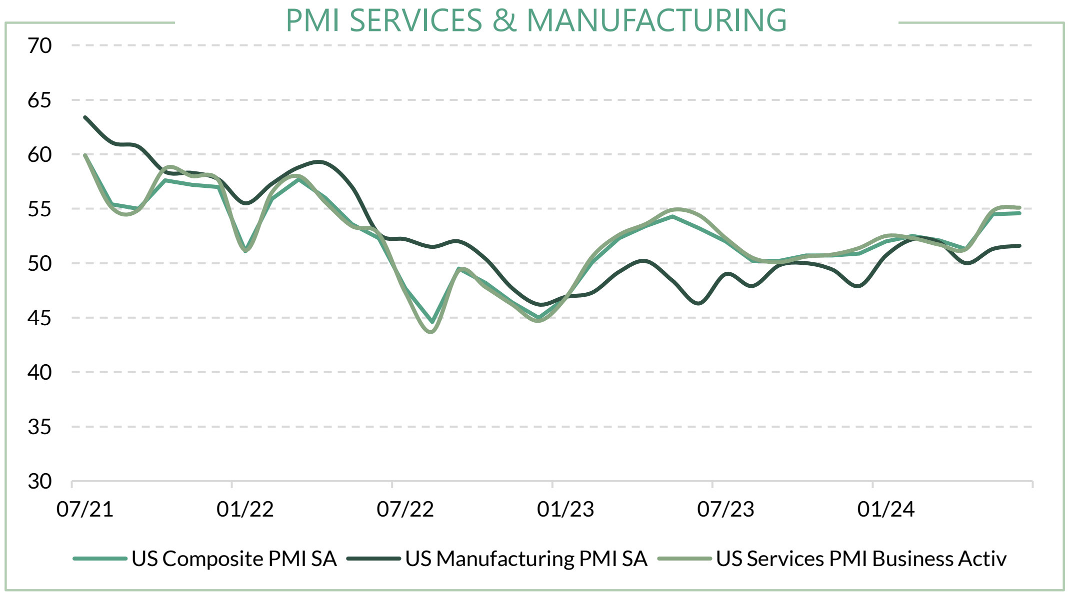


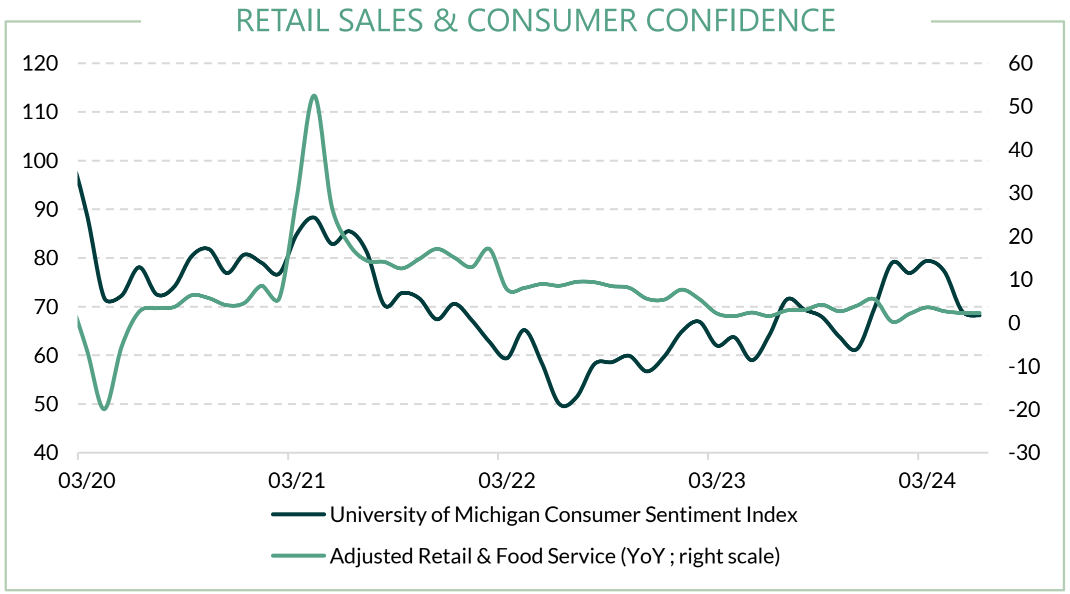


- Consensus forecasts for the US have either stalled lately or declined slightly after a string of data which suggested further loss of economic momentum
- Expectations for the Eurozone have stabilized at a slightly higher level but failed to improve further

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/06/2024

USA
SLOWLY LOOSING STEAM

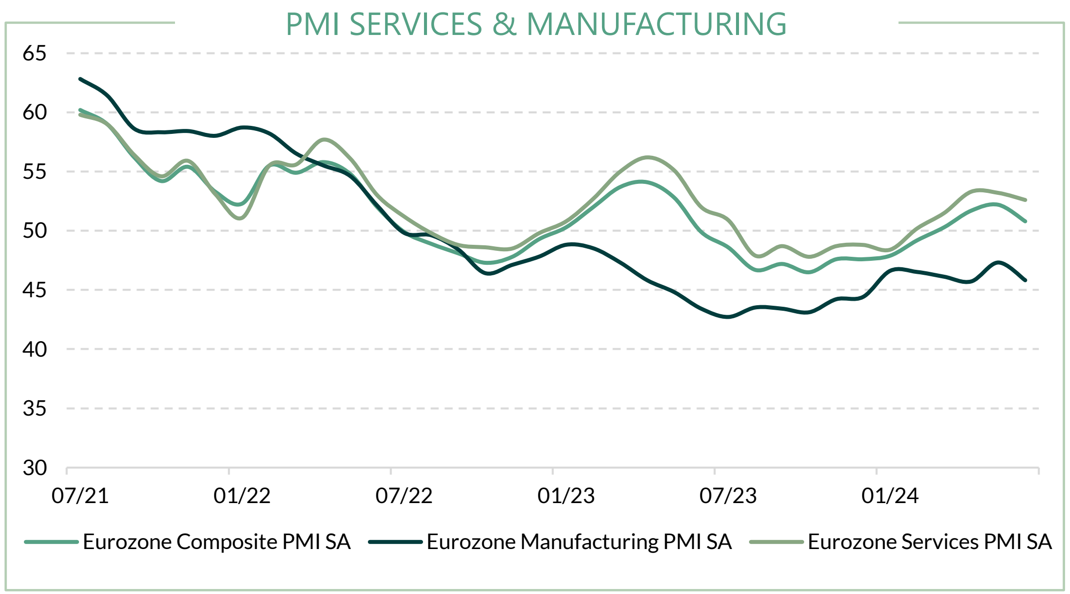


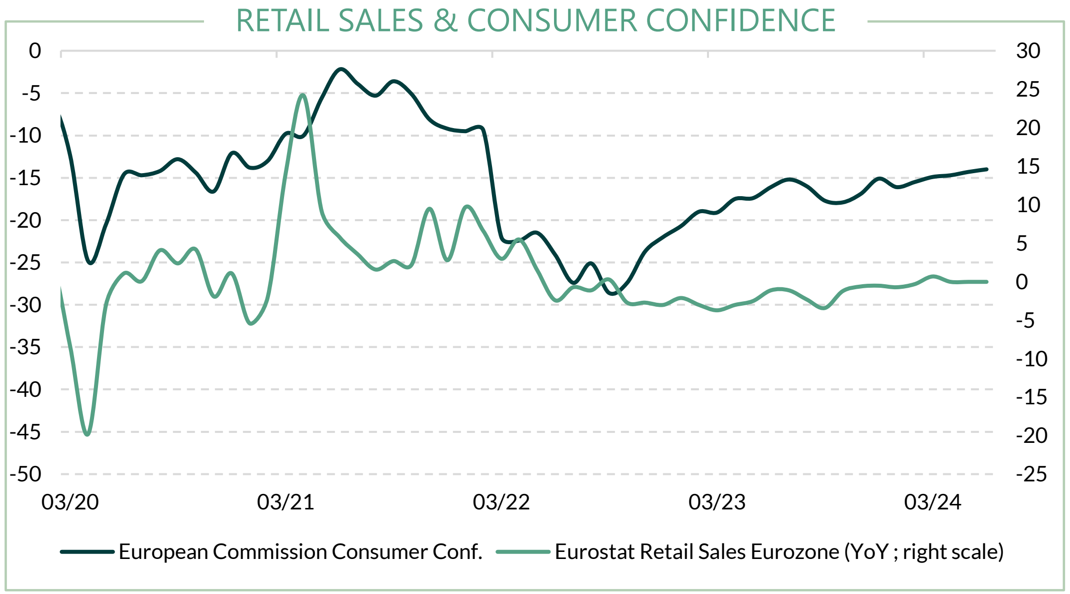


- Activity data in the US continues to slow, although signs of weakness are not broad based
- Nowcast Q2 GDP measures like the one by the Atlanta Fed have decelerated from an initial 4.2% estimate to only 1.5%
- Puzzling are contradictory signals from the service sector. While the ISM measure slumped 5 points to the lowest level since 2021, S&P data showed an improvement and remained well above the expansionary level of 50
- With a successively cooling labor market and consumers running out of excess reserves, private demand is likely to erode leaving the US exposed to downside risks

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/06/2024

Europe
IS THAT ALREADY IT?

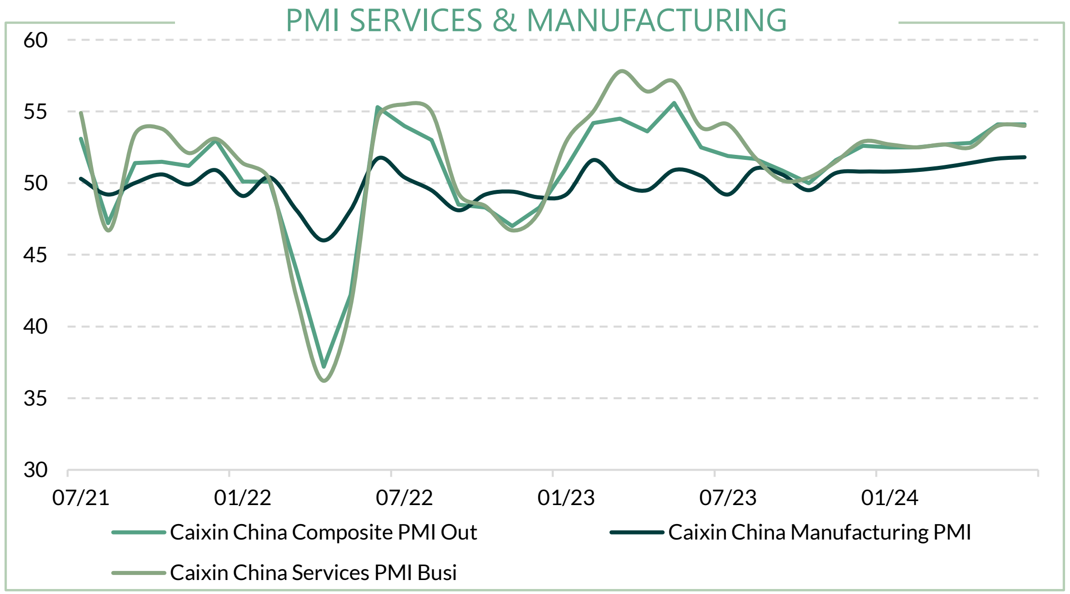


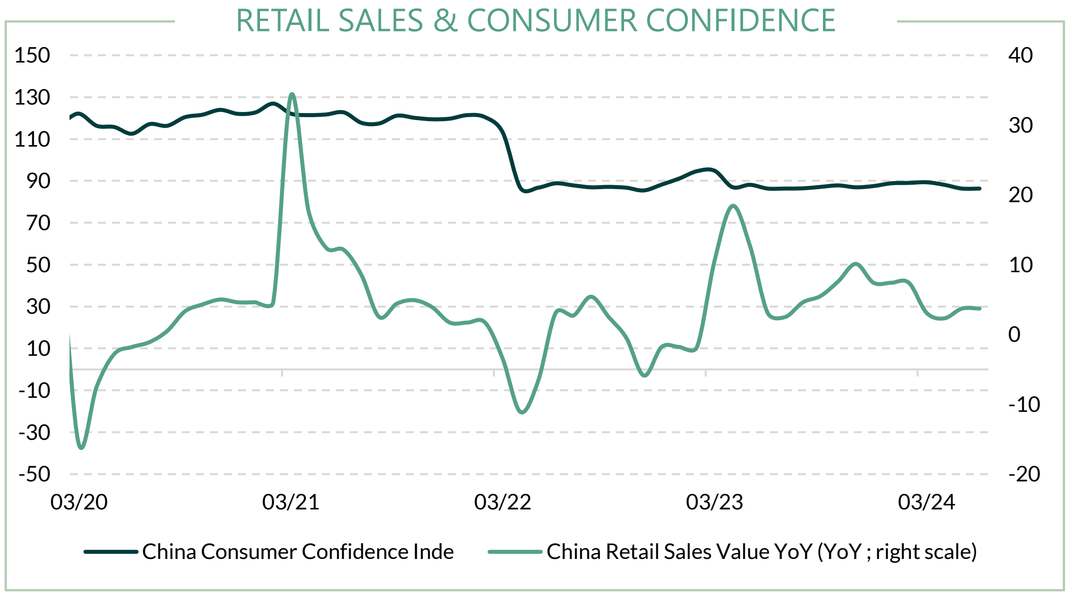


- After a promising Q1, the improvement from stagnation levels has already stalled
- PMIs and national activity gauges like the Ifo Index fell a bit instead of rising further as expected by analysts
- Improving real disposable incomes and a healthy structurally undersupplied labor market are putting a lid under the economy, but so far have not been able to compensate for manufacturing weakness or even spark a new momentum

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/06/2024

China
TREADING WATER

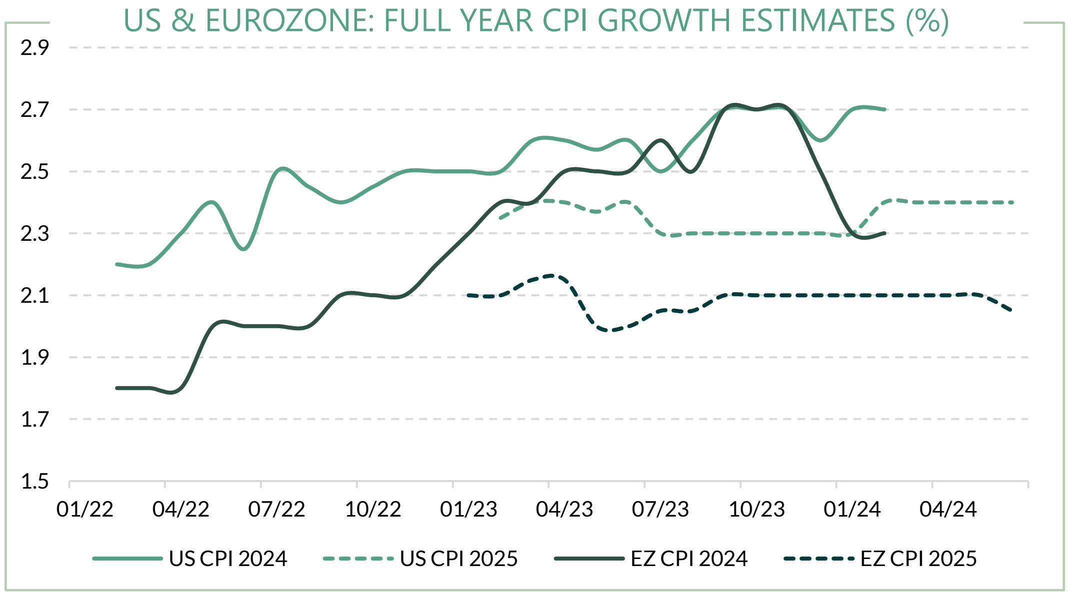




- Momentum has been flatlining for some time now
- Recent PMI data showed deceleration especially on the service side after a string of improving data
- Disinflation is still at risk to morph into deflation. PPI remained in negative territory yoy and CPI fell further to only 0.2% yoy in June
- Unless there is a huge stimulus the deflating housing bubble is constraining any upside momentum

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/06/2024

Inflation expectations
NO PROBLEM HERE



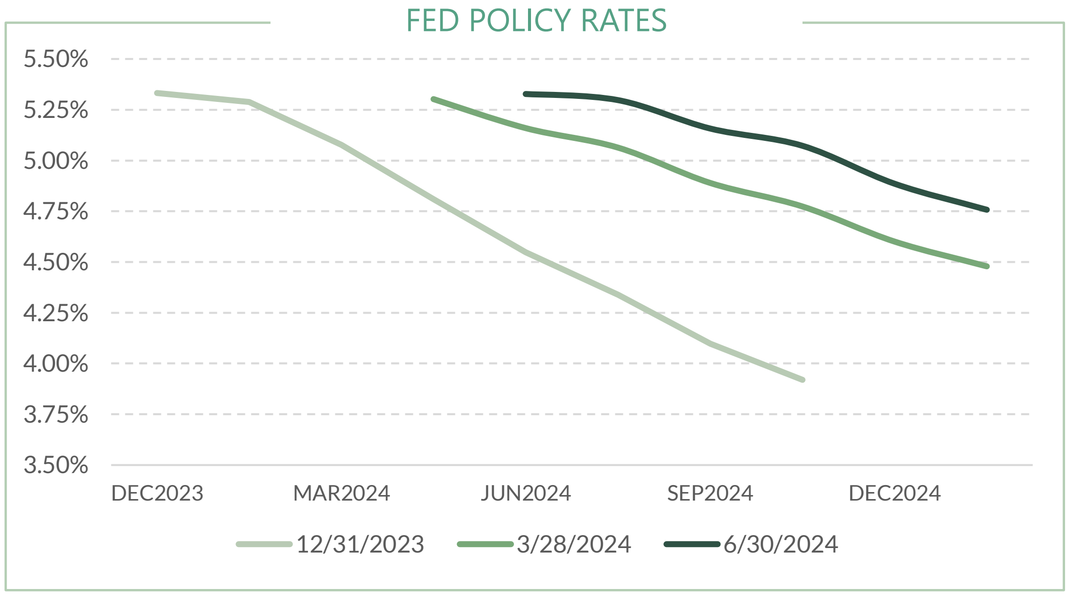
YOY CPI ESTIMATES

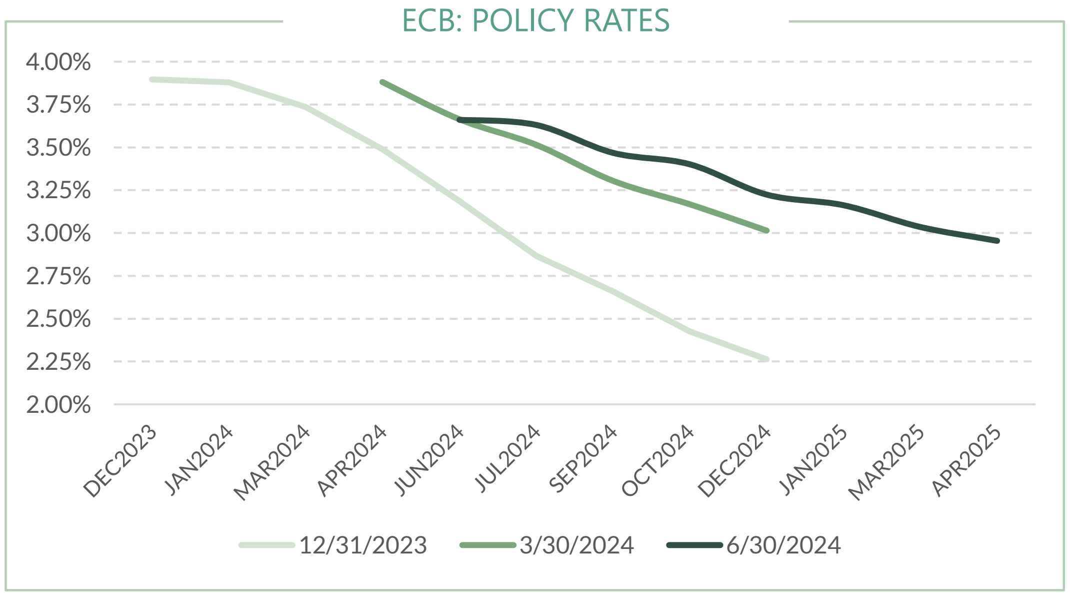
	Headline Inflation Rate (%)	Inflation Rate (%)			Inflation Forecasts (%)		Policy Rate (%)		Money Supply (y/y %)		Output Gap (%)
		Target	Actual	Diff	Annual Forecast	Diff	Nominal	Real	Narrow	Broad	
US	3.3	2.0	2.6	0.6	3.1	1.1	5.5	2.2	2.8	0.6	0.5
Euro Area	2.6	< 2.0	2.6	0.6	2.4	0.4	4.25	1.65	-4.9	1.6	-
Japan	2.8	2.0	2.8	0.8	2.4	0.4	-0.1	-2.9	0.6	1.9	1.1
UK	2	2.0	2.0	0.0	2.6	0.6	5.25	3.25	-	0.3	-1.0
Canada	2.9	1.0-3.0	2.9	In range	2.5	In range	4.75	1.85	1.91	5.05	-0.4
Australia	4	2.0-3.0	4.0	1.0	3.4	0.4	4.35	0.35	-19.58	5	-1.0
New Zealand	4	1.0-3.0	4.0	1.0	3.2	0.2	5.5	1.5	10.8	3.7	-2.1
Switzerland	1.4	<2.0P	1.4	In range	1.4	In range	1.25	-0.15	-9.06	-0.59	0.6
Denmark	2.2	-	2.2	2.2	1.8	1.8	3.5	1.3	3.67	-12.61	2.3
Norway	3	2.0	3.0	1.0	3.5	1.5	4.5	1.5	-2.8	1.5	-0.6
Sweden	3.74	2.0	3.7	1.7	3.1	1.1	3.75	0.01	-10.16	-0.96	-1.9

- Expectations are still higher than pre-covid levels, but longer-term measures are well anchored

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/06/2024

FED & ECB policies
FED TO FOLLOW ECB



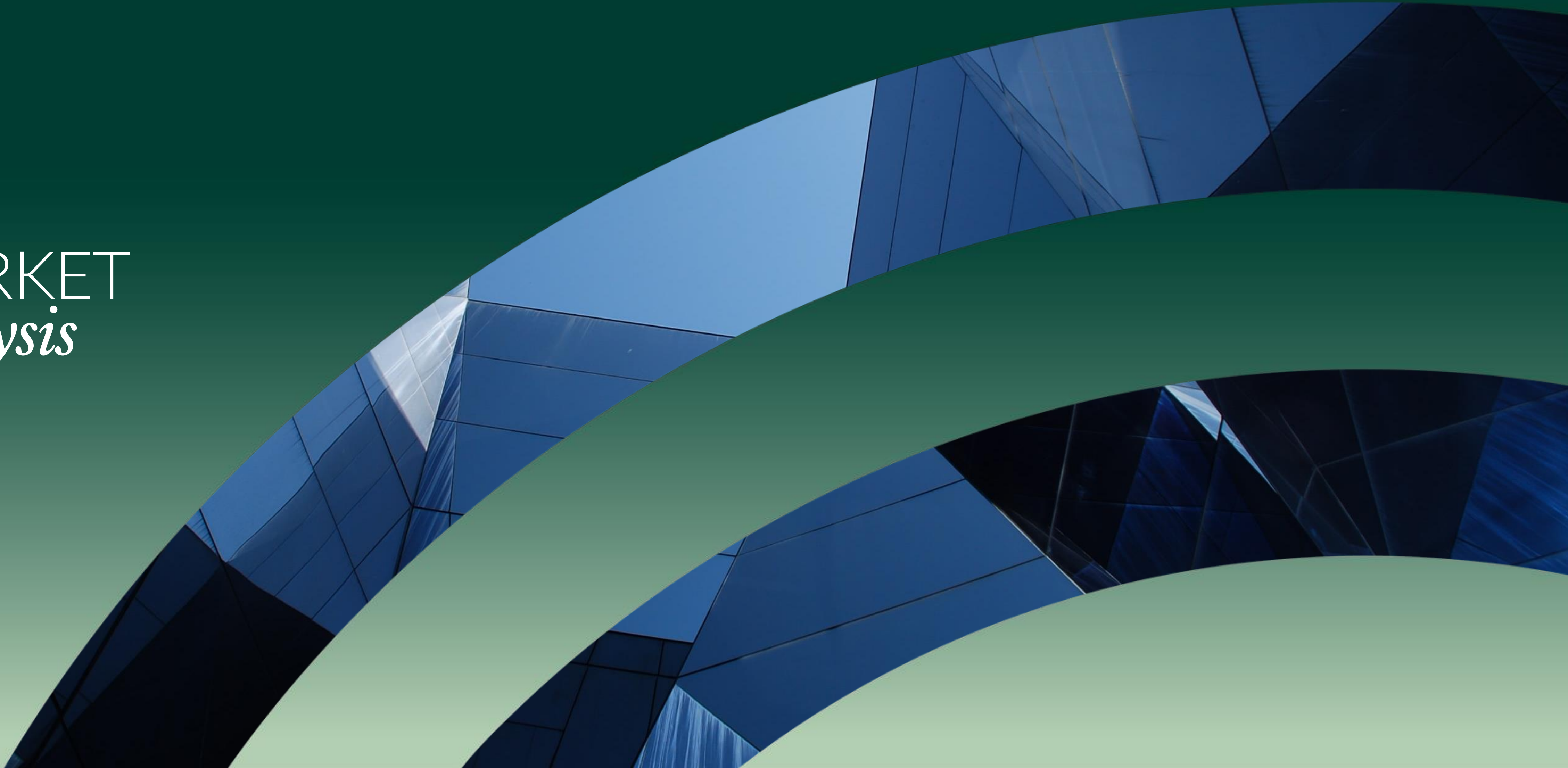


- After better inflation and weaker activity data, a September cut by the FED is back on the table according to the pricing of FED fund futures
- Also, Jerome Powell was leaning a bit more to the dovish side when addressing congress. In particular the focus of the FED is shifting increasingly from inflation to growth as the labor market cools
- The ECB continues to stick its data dependency mantra leaving the market guessing about the rate path
- Given our assumption of cooling growth momentum and a continuation of disinflation, a cut in September is certainly likely

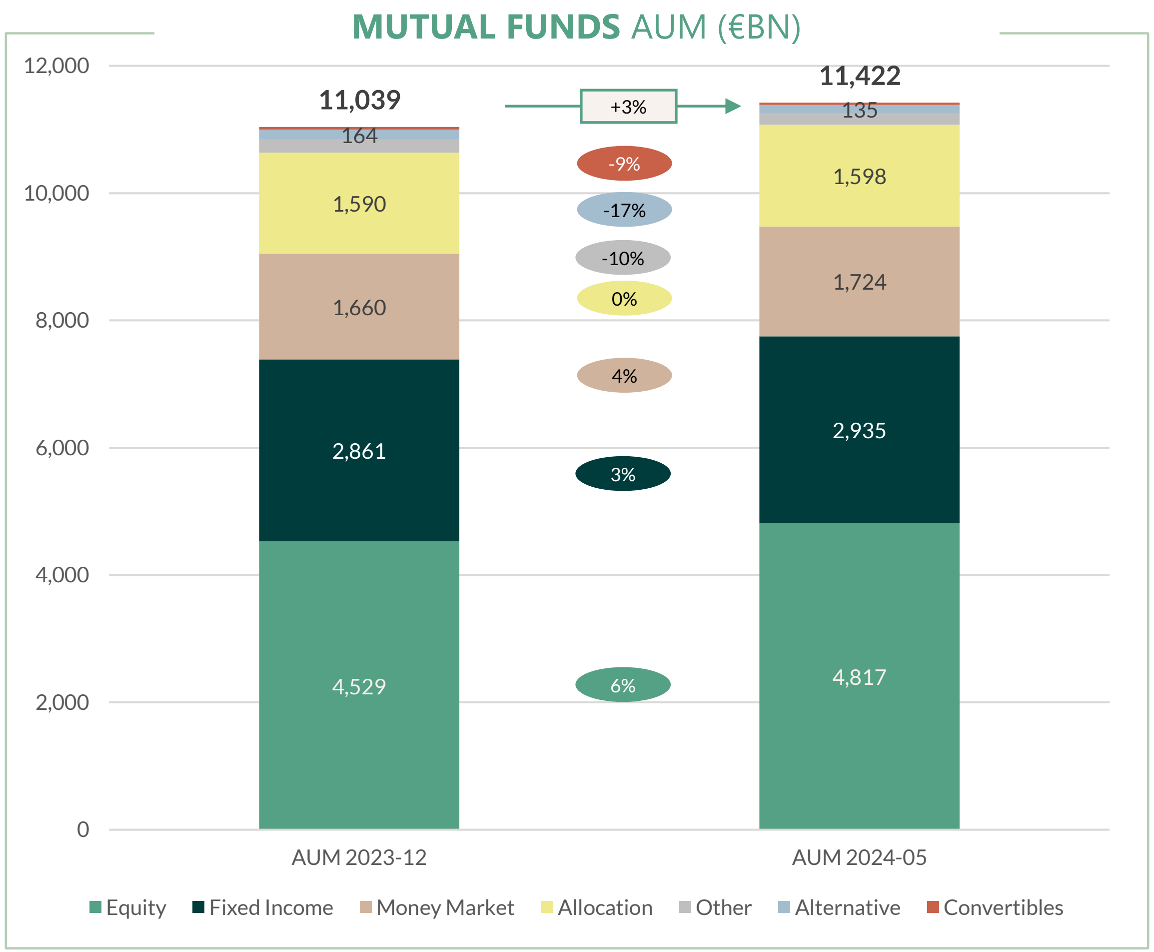
Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/06/2024

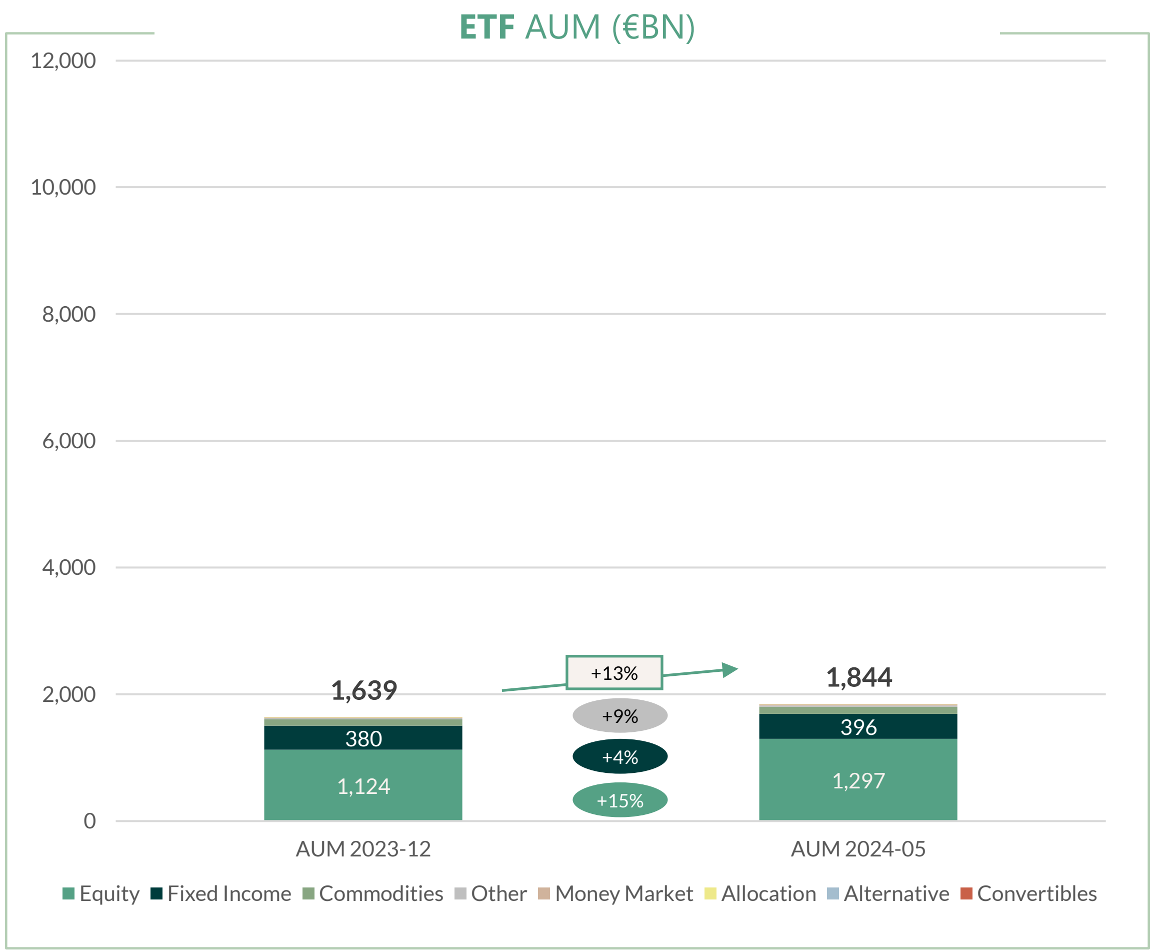
02

MARKET *analysis*



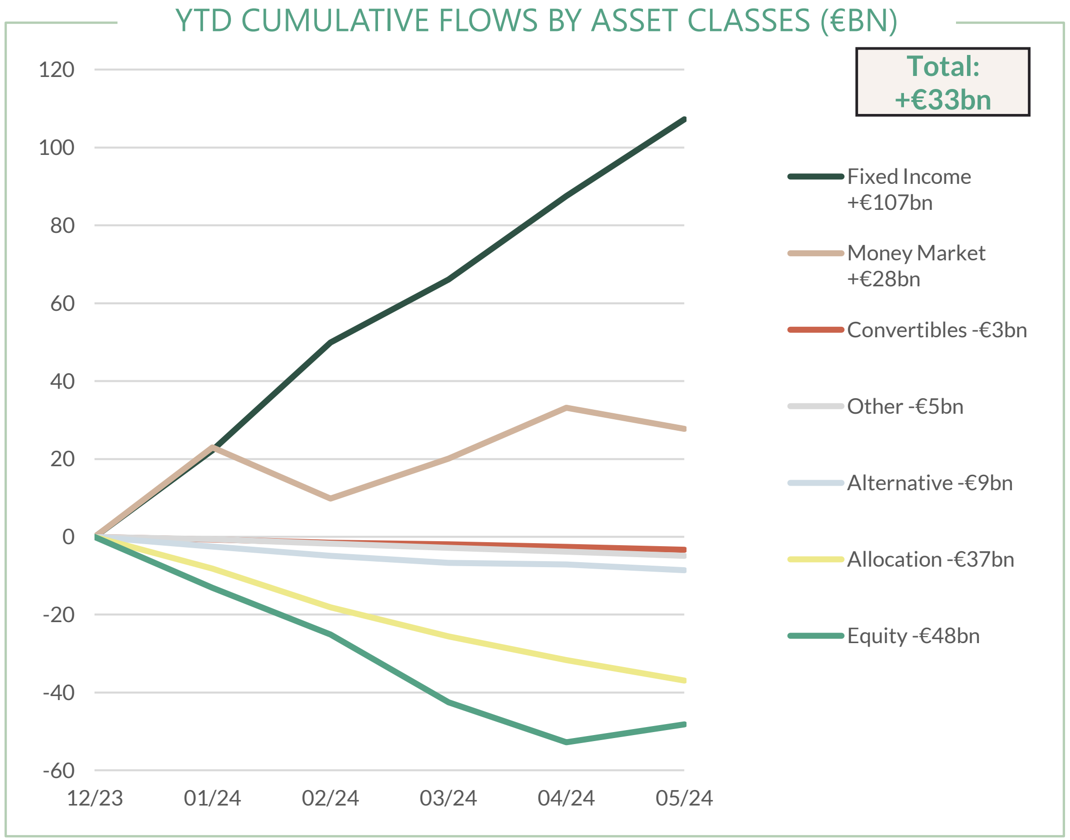
YTD 2024 – AUM evolution

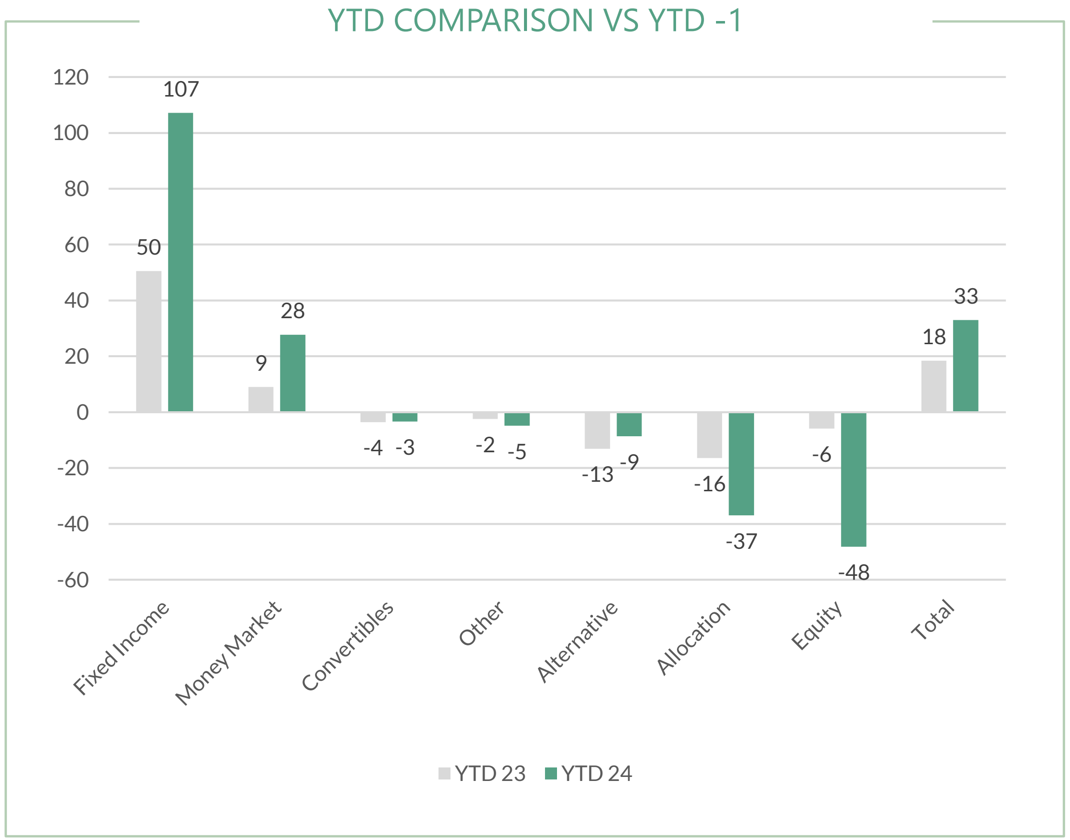




Source: Morningstar. Data as of 31/05/2024 (Europe OE & ETF & MM ex FoF ex Feeder (domiciled, most compr.))

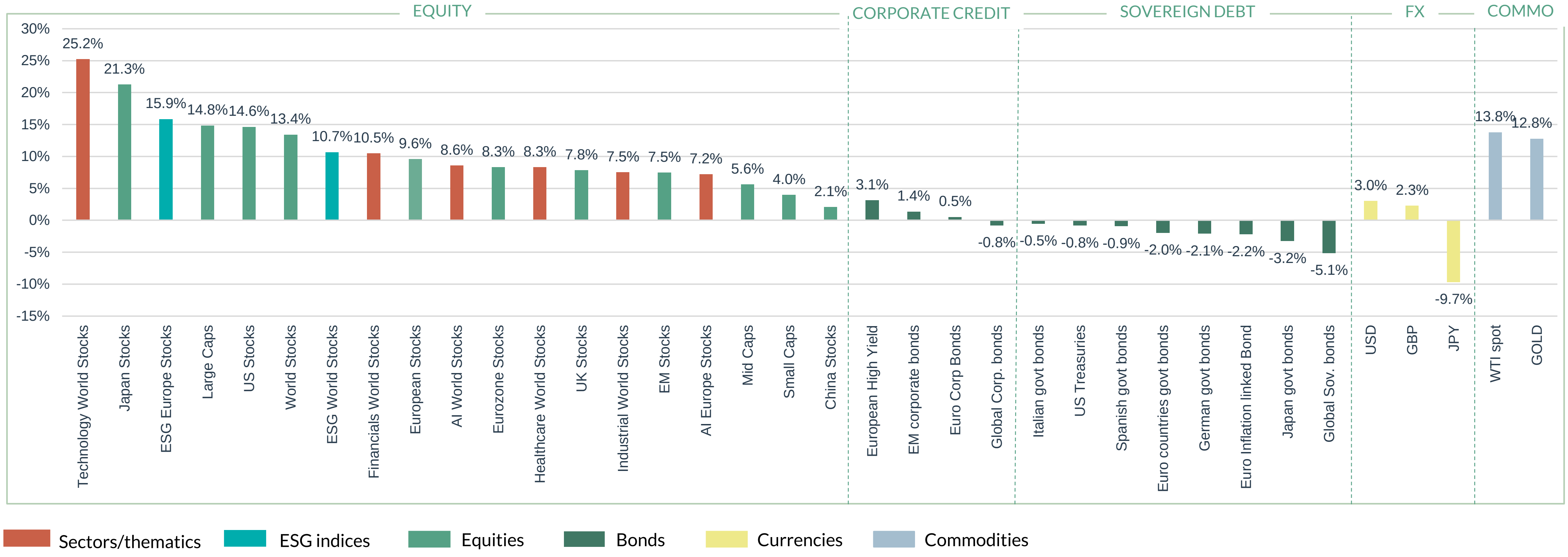
2024 European mutual fund flows



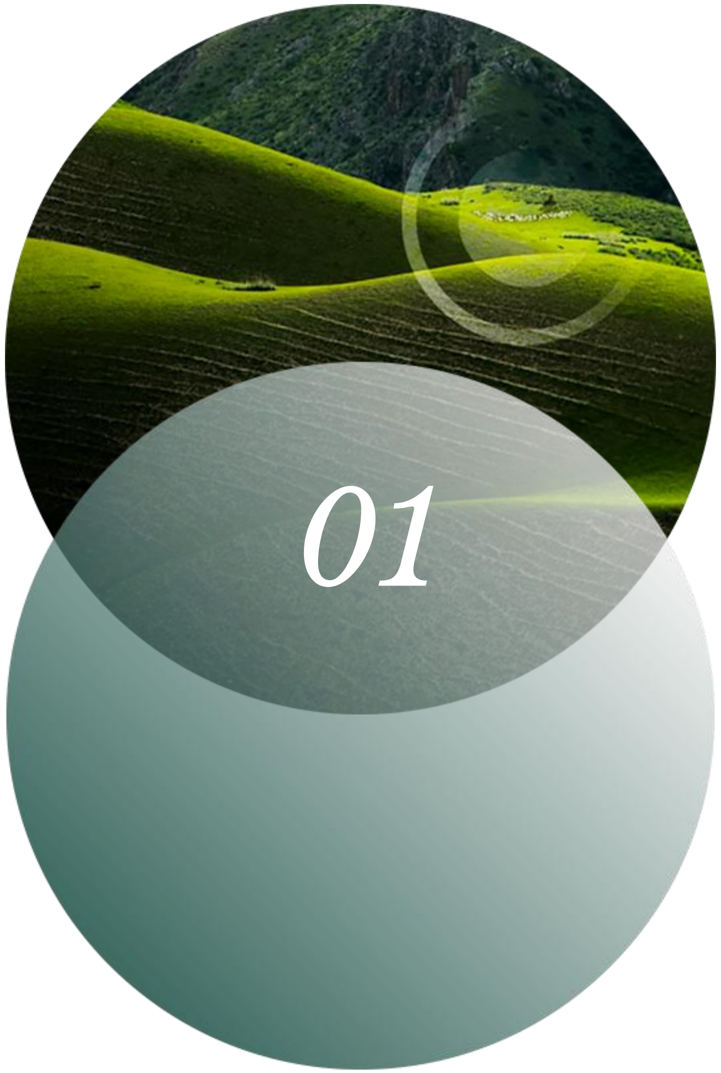


Source: Morningstar. Data as of 31/05/2024 (Europe OE ex ETF ex MM ex FoF ex Feeder (domiciled, most compr)

Year-to-date performances of asset classes

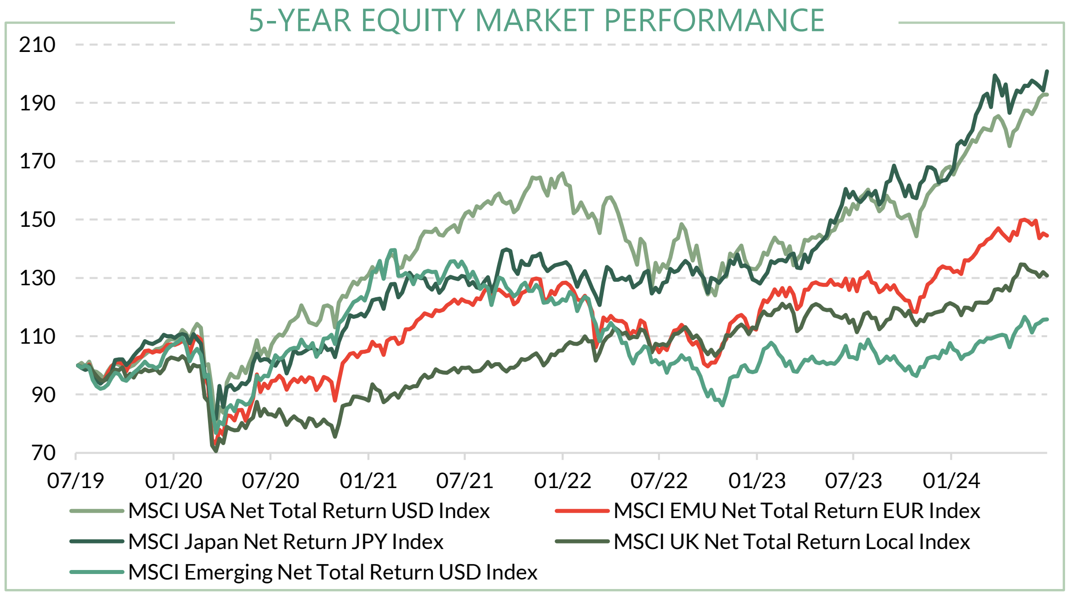


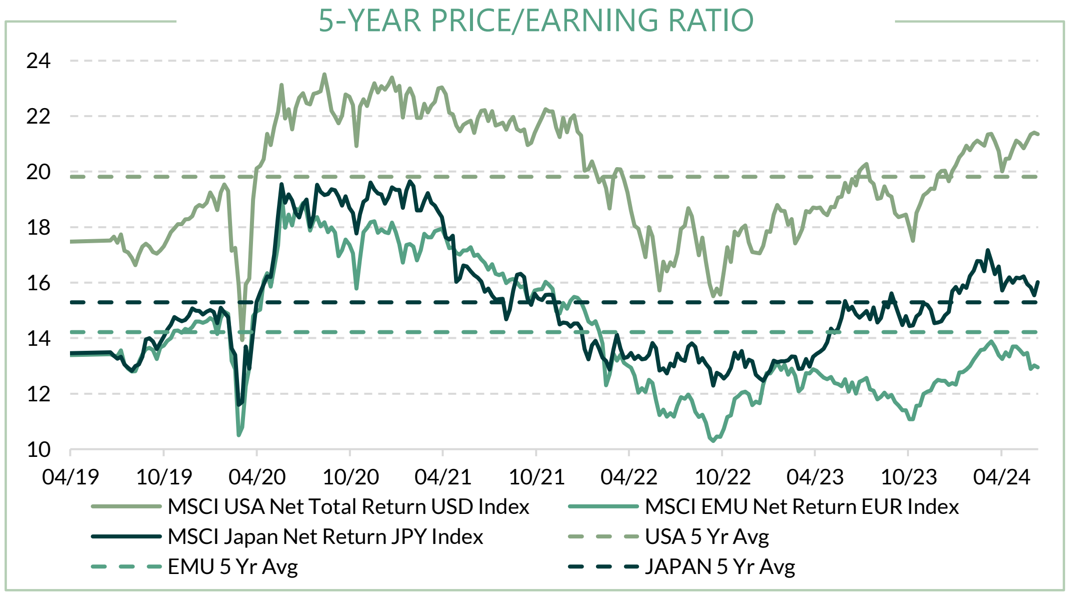
Past performances are not a reliable indicator of future performances and are not constant over time.
Sources: Bloomberg and BofA ML as of 30/06/2024; performances expressed in local currencies



EQUITIES

Equities
EUROPEAN UNDERPERFORMANCE



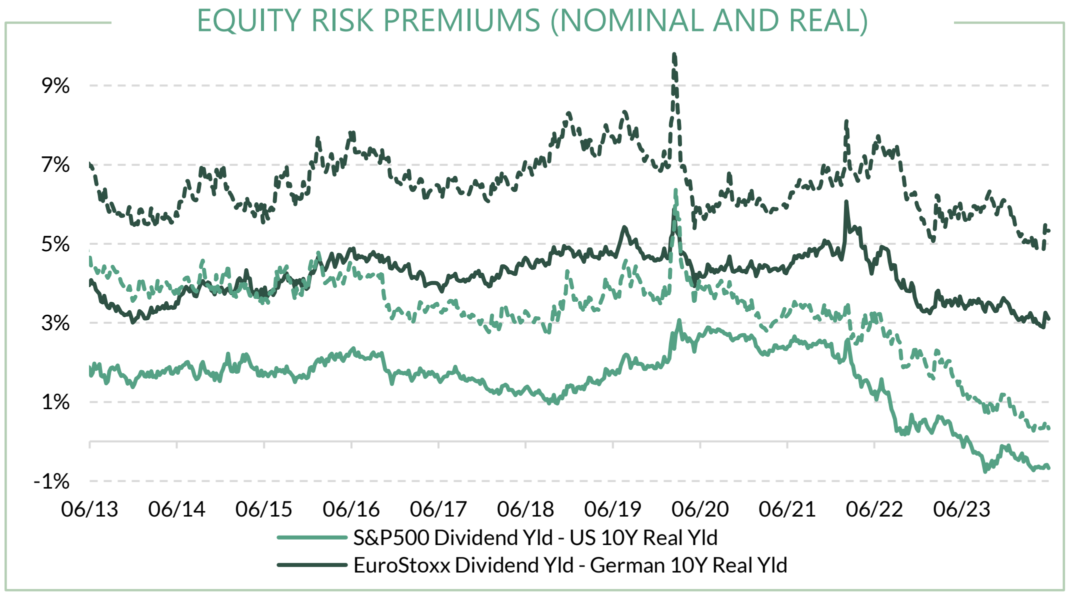


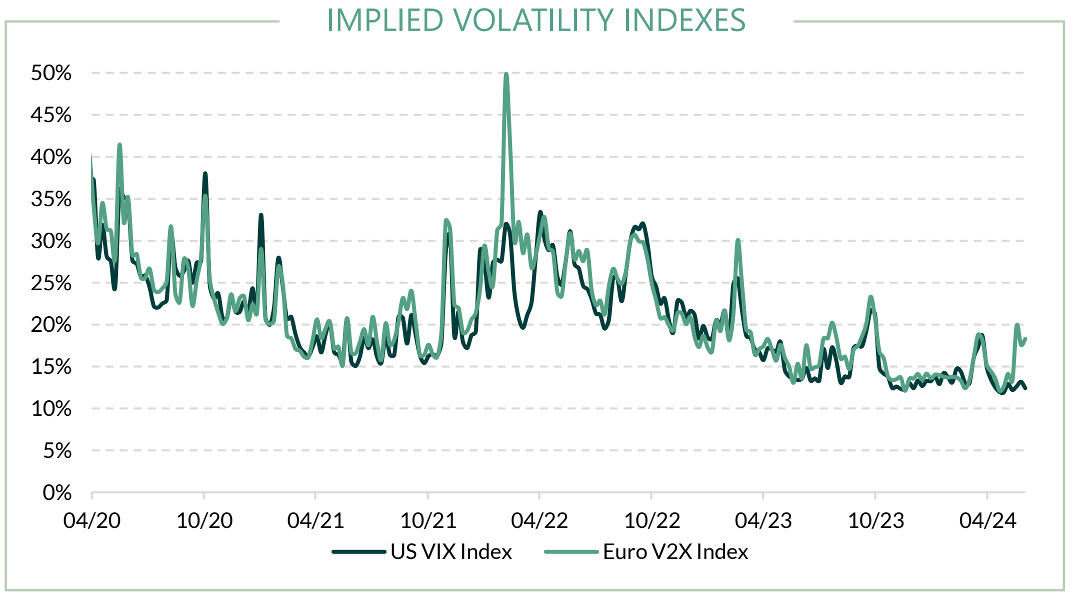
- Global equities market kept on rallying over June (MSCI World +2%).
- In the wake of the European elections and the French snap general elections, European equities severely underperformed (EuroStoxx -3%, CAC40 -6%).
- The tech segment kept on increasing its YtD overperformance, with the Nasdaq (+18%) overperforming.
- Emerging markets posted solid gains (MSCI EM +4%), with overperformance from tech-heavy Kospi (+6%) and Taiwan (+9%).

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 30/06/2024

Risk premiums & volatility

EUROPEAN PRICES ADJUSTING TO REFLECT EXTRA RISK





- Euro indexes implied volatility decoupled abruptly from US ones, and reached its highest point since last Autumn
- With European indexes losing some ground, the risk premium rebounded slightly for European assets, while it remained at historical lows in the US

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 30/06/2024

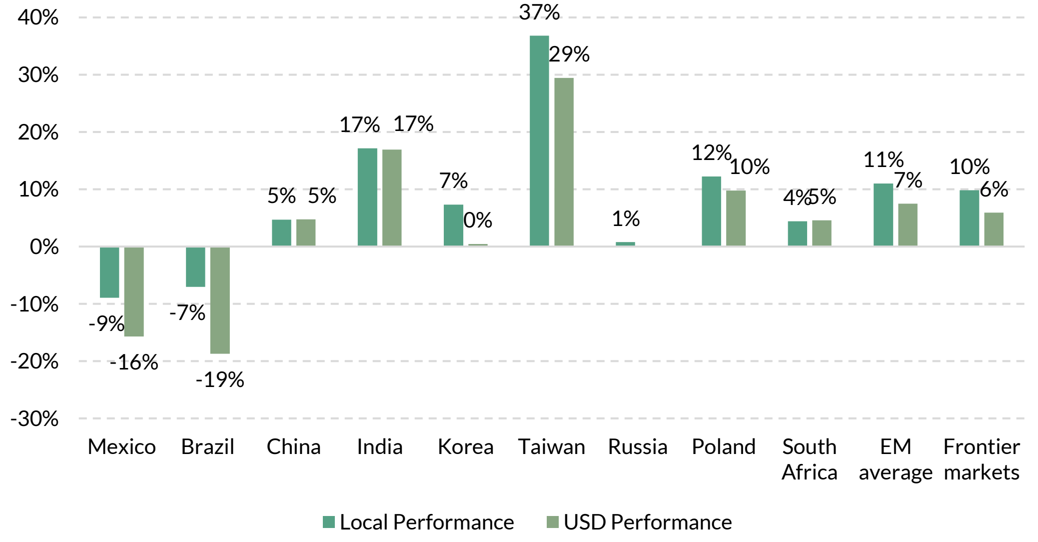
European equities – sectors overview

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		-1.5%	7%	6%	10%	13.2 x	3.5%	5.3%	8.9 x	1.9 x
Commodities										
Energy	4.2%	-2.8%	3%	-2%	5%	8.3 x	4.9%	10.0%	3.8 x	1.2 x
Basic Resources	2.5%	-6.2%	-1%	19%	19%	10.8 x	4.1%	6.1%	5.4 x	1.2 x
Cyclicals										
Automobiles & Parts	2.4%	-6.3%	-1%	-6%	7%	5.7 x	5.8%	11.0%	5.3 x	0.7 x
Chemicals	2.5%	-3.1%	-3%	23%	21%	18.7 x	3.1%	3.5%	9.5 x	2.0 x
Construction & Materials	3.7%	-6.2%	2%	6%	12%	13.9 x	3.3%	6.6%	7.8 x	1.9 x
Industrial Goods & Services	14.6%	-4.2%	8%	9%	14%	17.5 x	2.6%	5.1%	10.2 x	2.9 x
Media	2.0%	0.9%	15%	75%	10%	18.7 x	2.5%	5.1%	11.8 x	3.7 x
Technology	9.0%	2.6%	20%	4%	33%	27.4 x	1.1%	2.8%	18.5 x	4.9 x
Travel & Leisure	1.3%	-2.4%	-2%	13%	20%	12.1 x	2.1%	7.0%	6.7 x	2.5 x
Consumer Products and Services	5.9%	-3.7%	1%	5%	16%	23.0 x	2.1%	4.3%	12.8 x	3.9 x
Financials										
Banks	9.3%	-4.0%	15%	5%	4%	6.9 x	7.1%	-		0.8 x
Insurance	5.3%	-0.7%	8%	18%	8%	9.9 x	5.9%	5.6%	17.3 x	1.6 x
Financial Services	4.5%	-0.9%	6%	9%	14%	13.2 x	3.0%	5.7%	8.4 x	1.4 x
Real Estate	1.8%	-3.0%	-4%	7%	6%	15.2 x	4.2%	4.8%	21.5 x	0.9 x
Defensives										
Health Care	16.2%	3.8%	13%	5%	16%	18.4 x	2.3%	4.5%	12.9 x	3.6 x
Food Beverage and Tobacco	5.4%	-1.5%	-4%	2%	9%	14.2 x	3.9%	6.3%	10.4 x	2.4 x
Personal Care Drug and Grocery Stores	2.0%	-1.9%	0%	3%	10%	14.2 x	3.8%	6.4%	7.5 x	2.5 x
Retail	1.2%	-1.1%	7%	11%	15%	16.1 x	3.4%	5.9%	8.1 x	2.8 x
Telecommunications	2.5%	0.8%	4%	63%	10%	12.8 x	4.8%	10.5%	6.2 x	1.2 x
Utilities	3.7%	-3.3%	-6%	4%	1%	11.7 x	5.1%	-0.9%	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, 01/07/2024

Emerging markets
STRONG OVERPERFORMANCE FROM ASIAN TECH MARKETS

YTD EQUITY PERFORMANCE ON MAJOR EMERGING MARKETS



EM FWD P/E PREMIUM TO DM

- Emerging markets slightly overperformed developed markets, with massive dispersion between countries.
- Taiwan now boasts an impressive +29% YtD gain (in USD), twice the gains of Nasdaq over the period.
- After a disappointing start of the year, Korean equities jumped into that broadening “tech” rally, rebounding +6% over the month (with also a small rebound of the Won).
- At the opposite part of the spectrum, Mexican equities were battered (-5%) and the Peso kept falling (-7%). Year 2023 had indeed pushed both currency and equities towards very rich valuations, letting no room for disappointments…
- The Brazilian Real also fell harshly (-6%) but Brazilian equities found some support from valuations (attractive 7x estimated PE ratio and 7% dividend yield).

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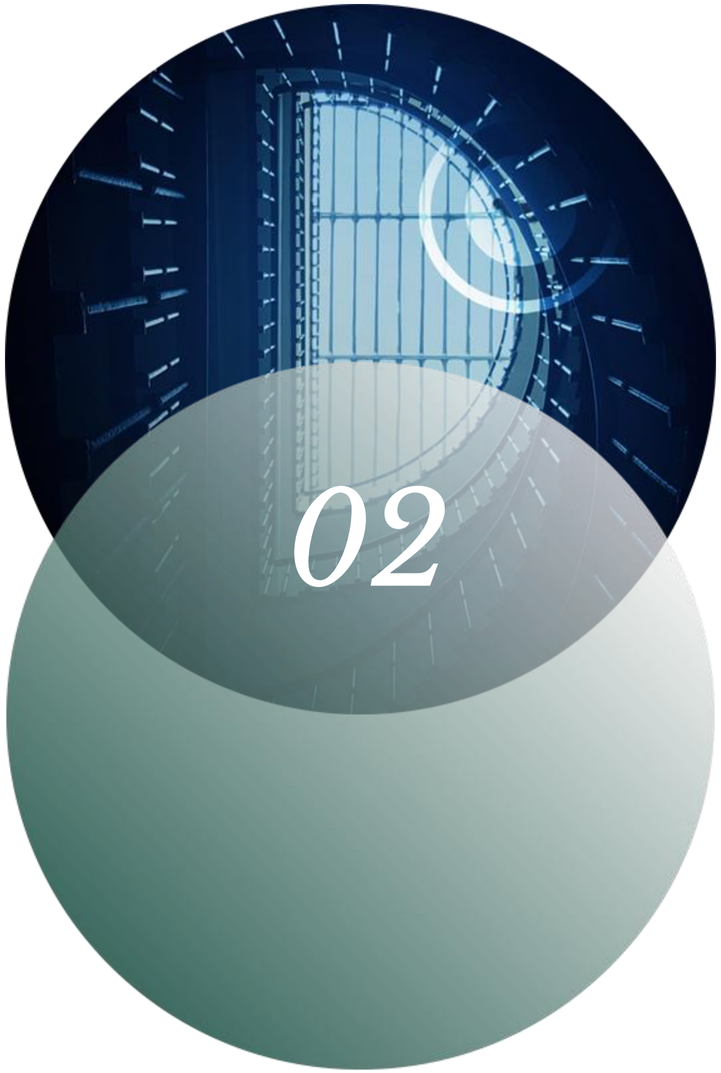
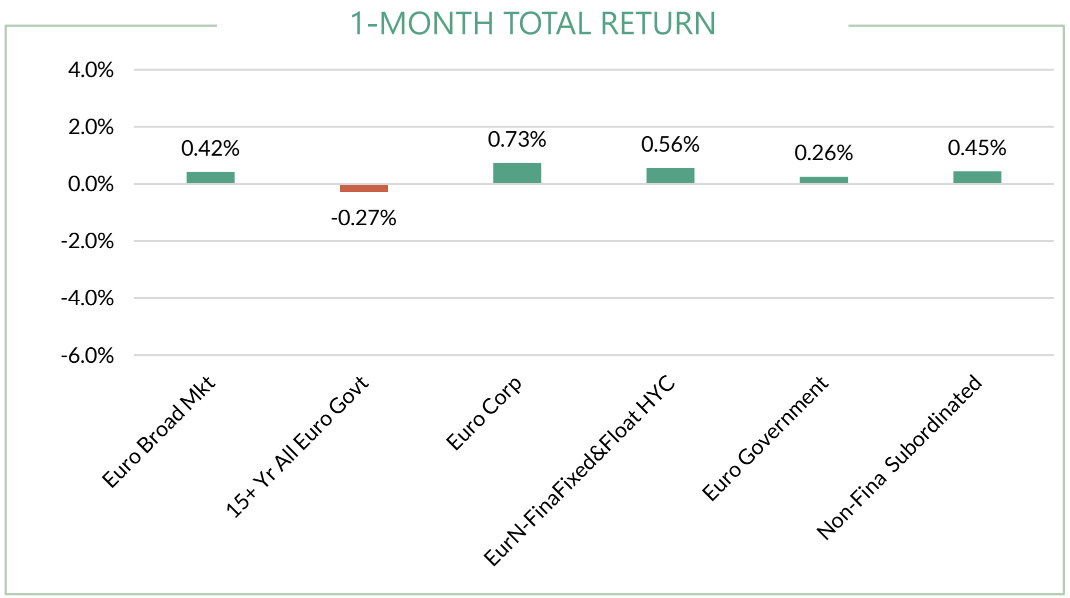
Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/06/2024

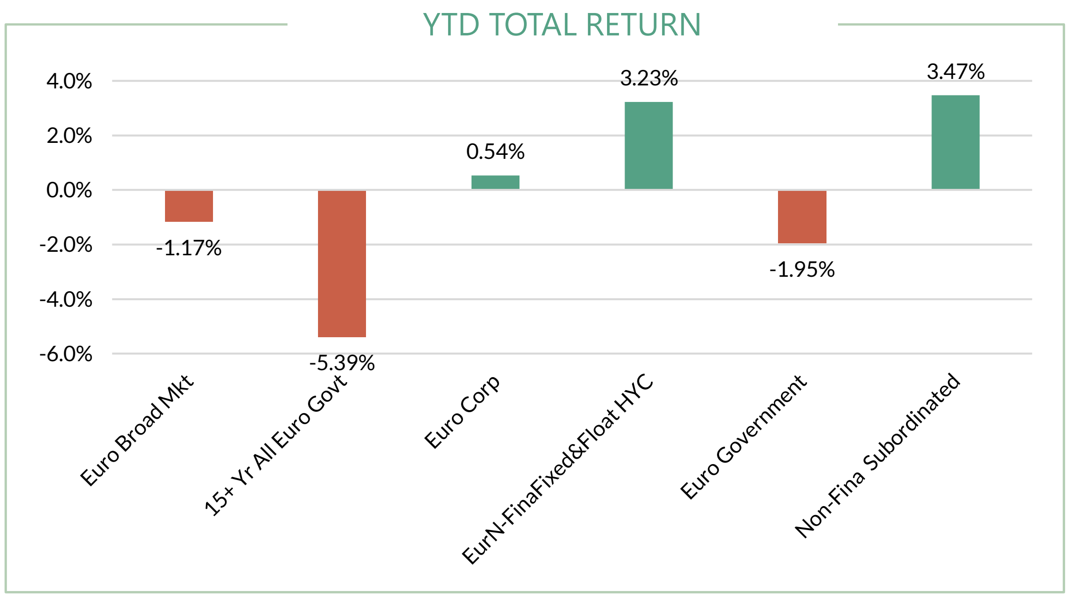


FIXED INCOME

Performance fixed income segments

ROLLERCOASTER RIDE IN JUNE ENDED SLIGHTLY POSITIVE



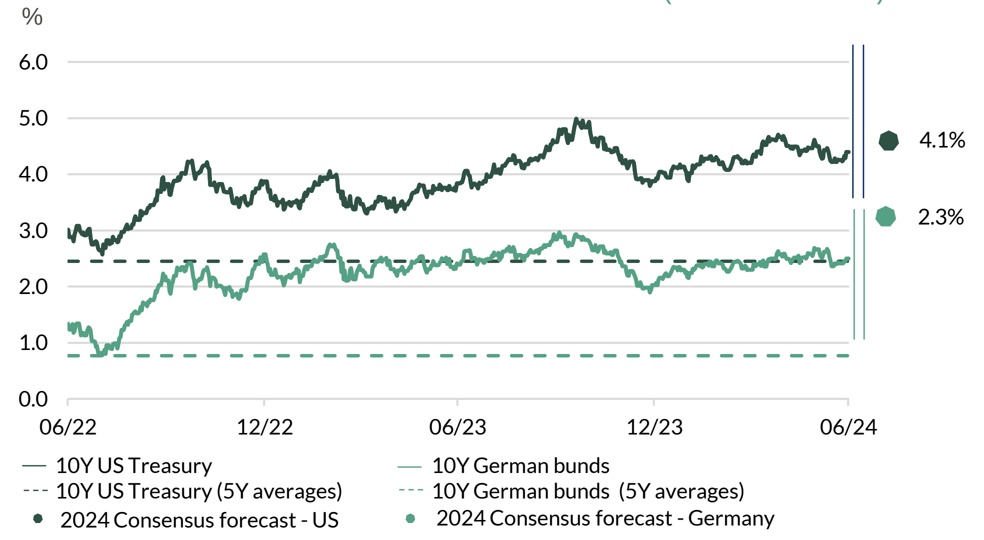


Past performances are not a reliable indicator of future performances and are not constant over time
Source: ODDO BHF AM, Bloomberg, data as of 30/06/2024

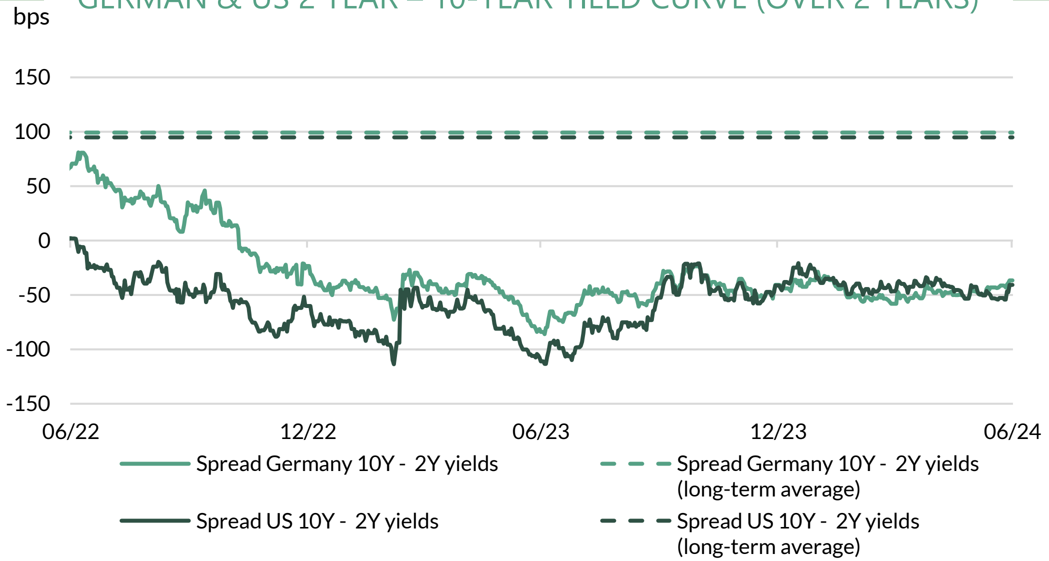
Rates

MANY CROSSCURRENTS KEEP RATES RANGEBOUND

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



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

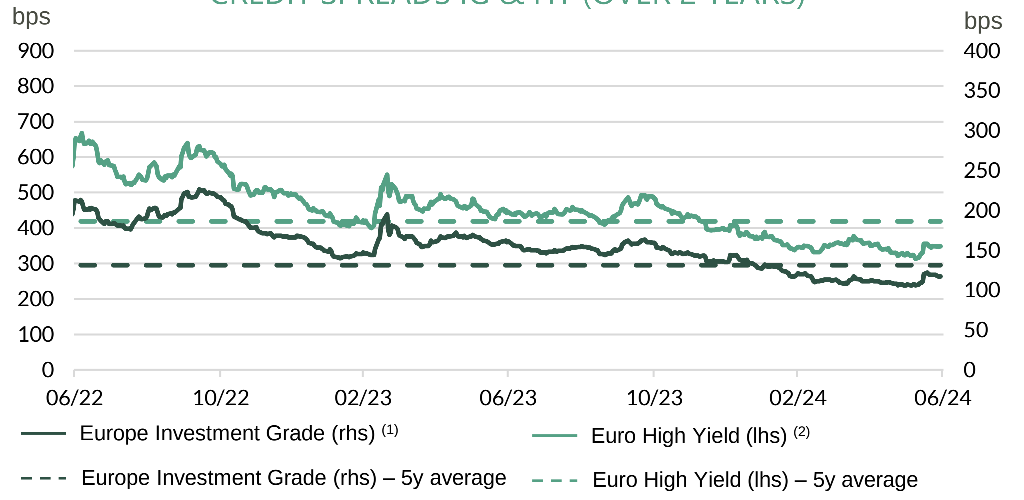


- Inflation readings in the US and Eurozone have improved after a disinflation pause in Q1, giving leeway for central banks to cut
- Economic momentum in the US also continues to fade and the rebound in the Eurozone turned out to be quite lackluster so far
- Recent worries about higher deficits following the French elections and the increased probability of a Trump 2.0 have rekindled some curve steepening, but a surge in term premia at the long end seems unlikely for now
- Overall, rates have room to rally but next move hinges on much weaker US data or surprising declines in inflation

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 30/06/2024; RHS: Data as of 30/06/2024

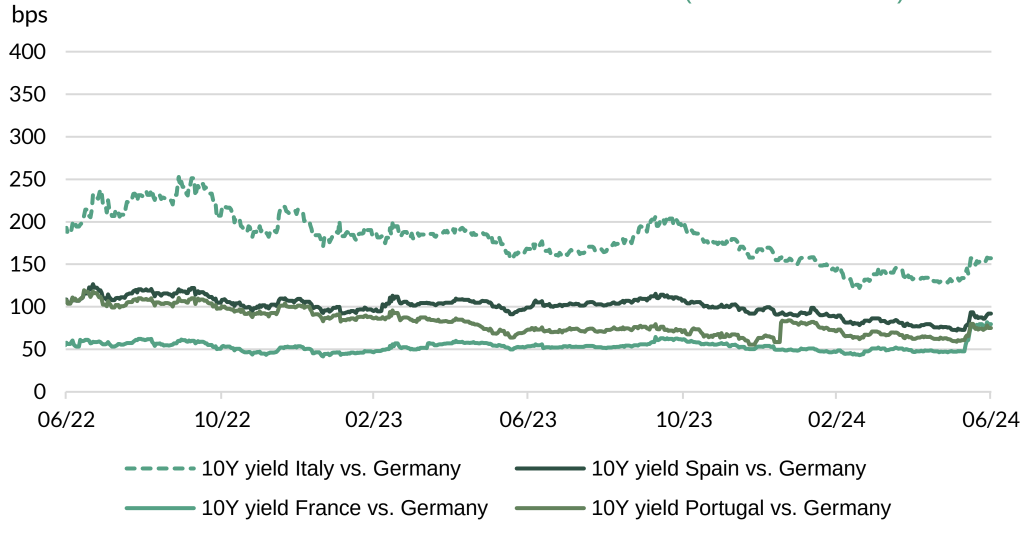
Credit Spreads
RETURN OF THE BOND VIGILANTES?

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)

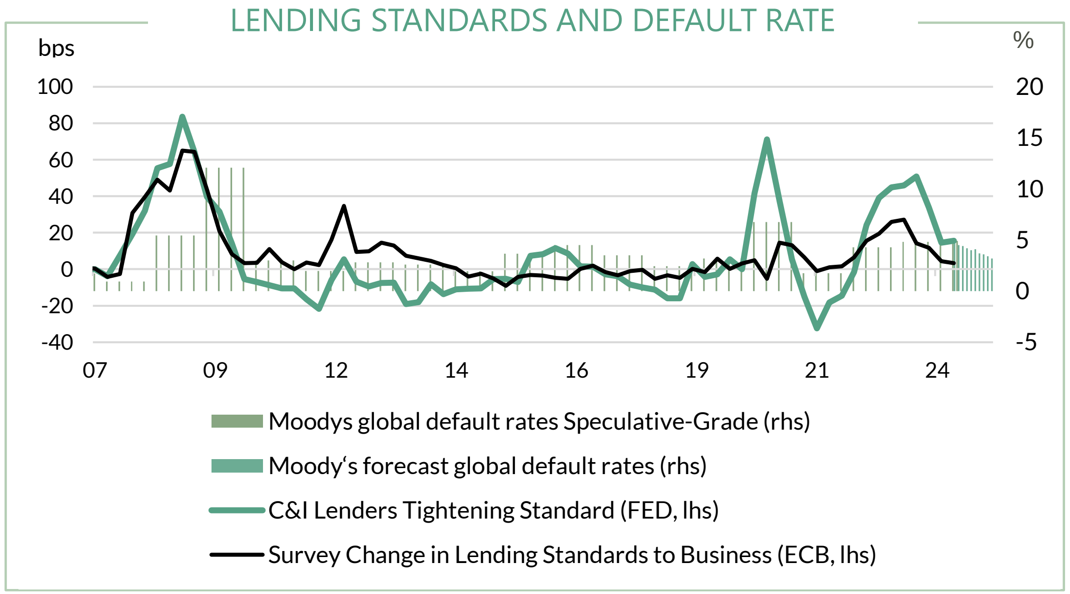
MAIN EUROZONE COUNTRY SPREADS (OVER 2 YEARS)

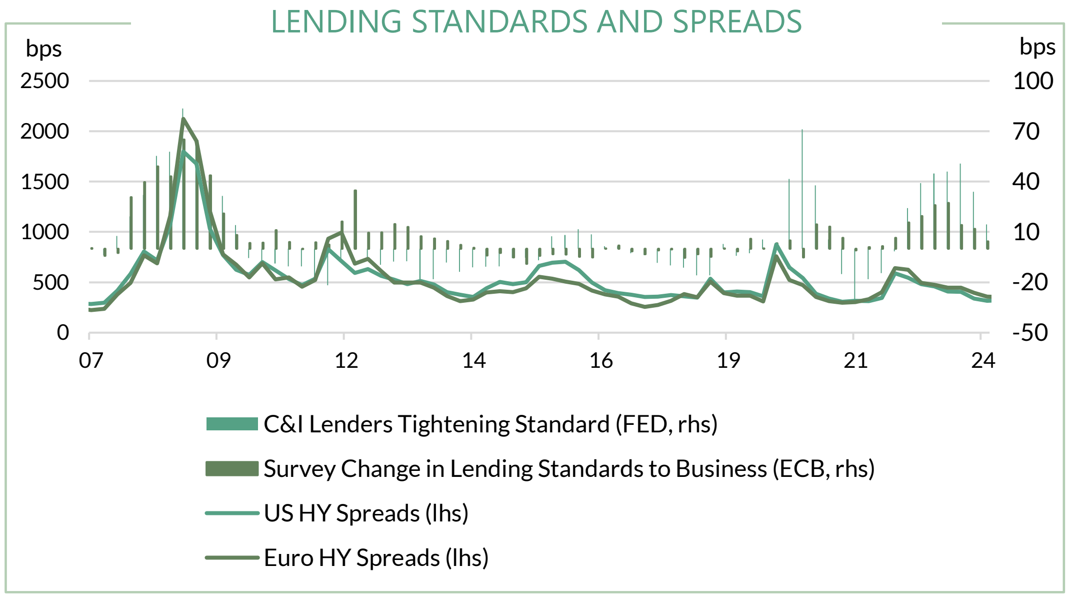


- Peripheral spreads, predominantly OAT to Bund yield gaps surged by more than 40bps in the 10-year sector. A bigger part of this widening has already retraced back with countries like Ireland or Austria at even lower points than before the panic
- Although, the situation is tense in France, political issues rather play out in the medium-term. Given the French budget deterioration we remain underweight here but are more optimistic on Spain, Austria and Ireland
- Corporate spreads were little affected and even recovered to new lows in early July. We still see this sector as being the sweet spot but successively reduce our overweights

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 30/06/2024

Financial conditions
STILL AMPLE IN FINANCIAL MARKETS





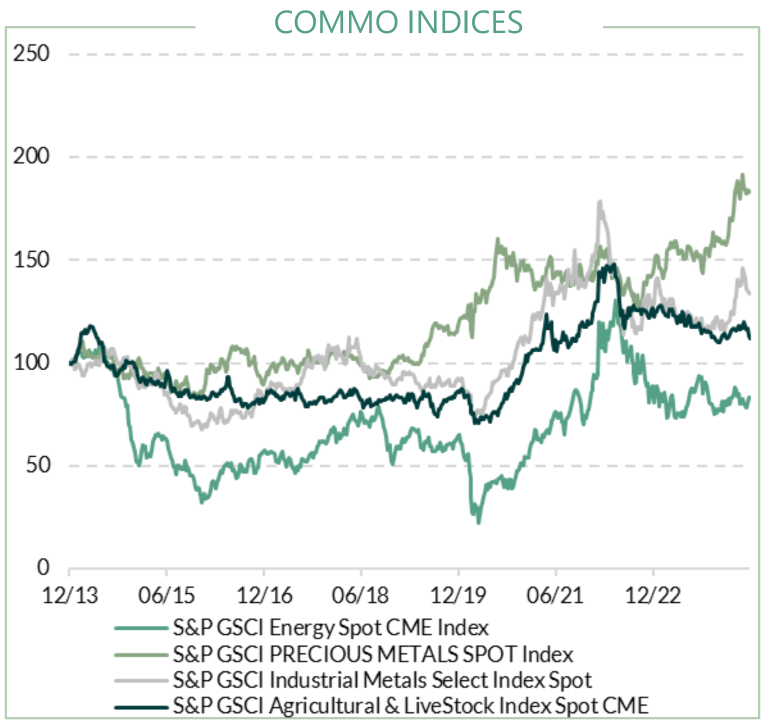
- Relentless bull runs in US equities and corporate spreads keep financial conditions supportive
- Credit and loan standards as well as demand on the other hand continues to be restrictive

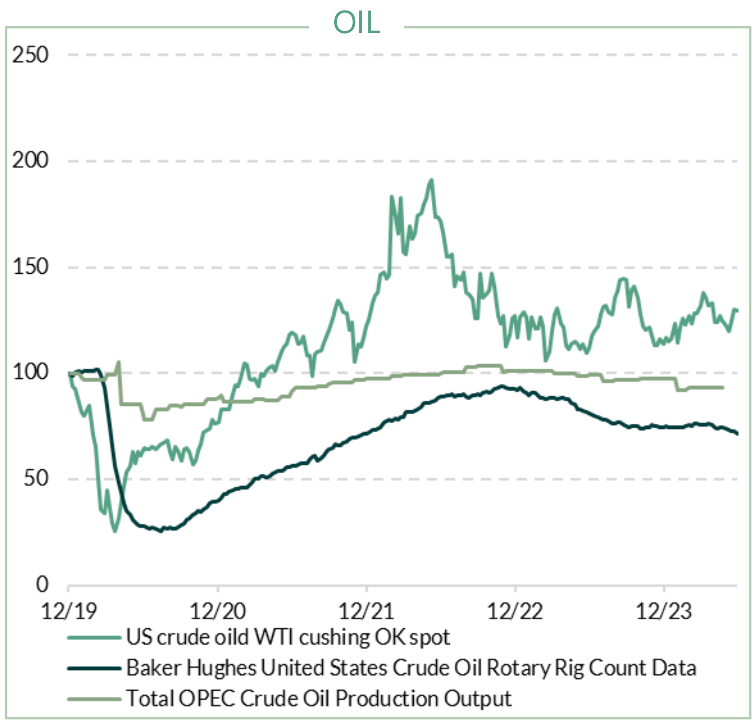
Source: Fed, ECB, Bloomberg | Moody's as of 31/05/2024, Lending Standard & Survey Change as of 30/06/2024, Spreads as of 30/06/2024

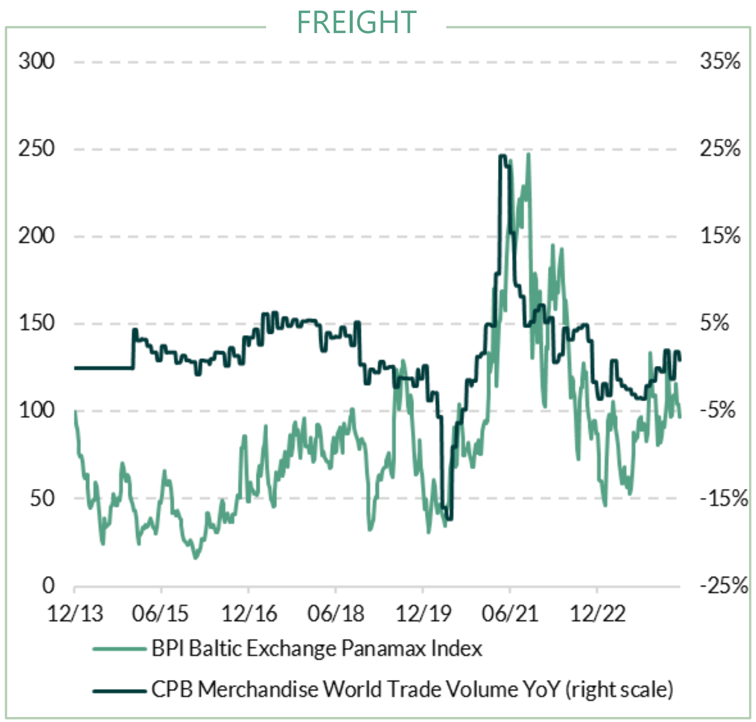
COMMODITIES & CURRENCIES

Commodities

OIL PRICES REBOUNDING





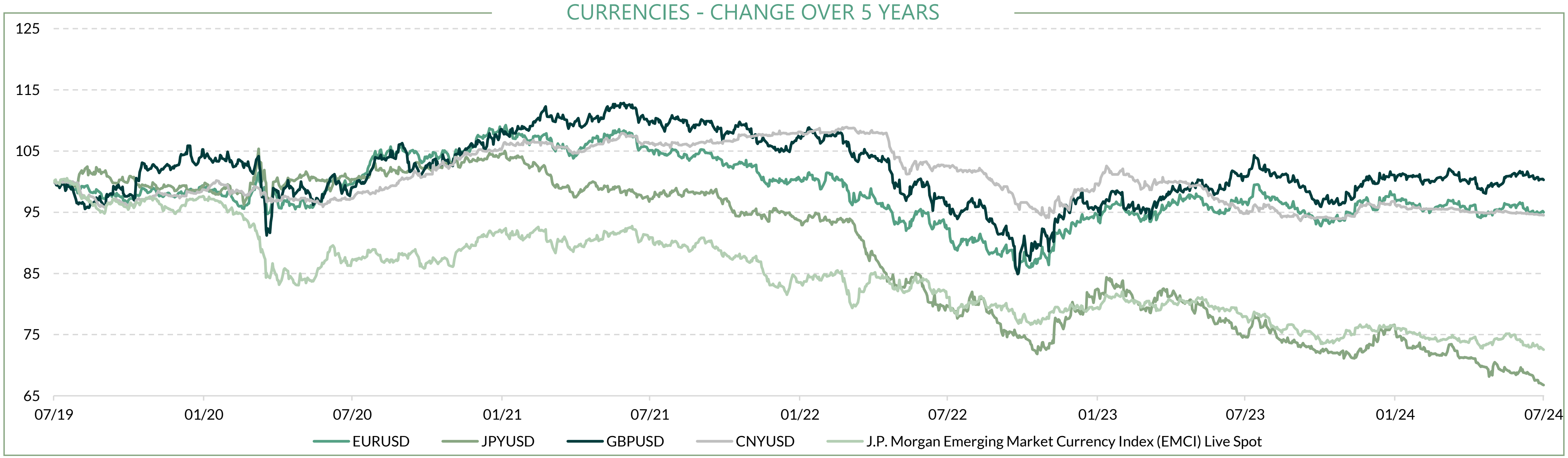


- The end of the -2.2mln barrel/day OPEC production cuts was postponed until September, helping fuel a +6% WTI rally.
- Price of outbound freight from China also jumped massively for a second month (Shanghai Shipping Containerized +28% after +25% in May, back at his highest level since Autumn 2022). A drought-induced reduction of the Panama canal capacity and continued attacks by the Houthis on ships heading for Suez severely diminish the overall supply of global maritime freight.

Past performances are not a reliable indicator of future performance and are not constant over time.
Sources: Bloomberg, ODDO BHF AM SAS | Data at 30/06/2024

Currencies

THE NEVER-ENDING YEN CRASH



- Despite eye-staggering discount vs virtually any long-term fundamental valuation measures, the massive negative differential in short term rates between JPY and most currencies keeps making the ideal candidate for every short seller or the funding side of carry-trades strategies.
- The Japanese currency lost 2% percents more vs the greenback, is now down -12% YtD.
- Taking a very large step back, this is the lowest JPY/USD level since 1986. Over those 38 years, cumulated inflation in Japan was measured around 25% in Japan and 180% in the USA…

Past performances are not a reliable indicator of future performance and are not constant over time.
Sources: Bloomberg, ODDO BHF AM SAS | Data at 30/06/2024

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. Many central banks have started to cut interest rates 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 has started to cut rates given the progress on disinflation
- Supply chains are less disrupted

US
- So far, corporate fundamentals remain resilient, but economic activity and the labor market have shown some weakening signs
- Disinflation progress has slowed 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 continue cutting 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
- No sustainable sovereign stress

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

UNDERWEIGHT
- Alternative Strategies
- Cash

20%

03 *Alternative scenario #2*

Adverse scenario / flight to quality

- Adverse political events and sovereign stress
- 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 July 3rd 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					2
	Small cap Eurozone					2
	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 July 3rd 2024

Our current convictions FOR EACH ASSET CLASS

Change from the last GIC meeting

Government bonds	OVERALL GOVERNMENT BONDS				1	
	Core Europe				1	
	Semi Core Europe		-1			
	Peripheral Europe			0		
	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 July 3rd 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 30/06/2024

Registration of funds abroad AND MORNINGSTAR™ CATEGORIES

FUNDS	MORNINGSTAR CATEGORIES															
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 30/06/2024

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

- June 24 • 'SMID' is beautiful… despite France
- May 24 • US election – What to expect from Trump Season 2
- 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

MARKET VIEWS

- 13/06/24 • Where is France heading?
- 12/06/24 • US public debt: a potential "Liz Truss" scenario?
- 21/05/24 • Europe at the polls: what's at stake for the future?
- 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?

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

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.

NICOLAS CHAPUT
Global CEO
ODDO BHF AM

EMMANUEL CHAPUIS, CFA
Co-Head of Fundamental Equities
ODDO BHF AM

BJOERN BENDER, CFA
Head of Fixed Income Products
ODDO BHF AM GmbH

TIM WEGMANN
Product Manager Fixed Income Products
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LAURENT DENIZE
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MAXIME DUPUIS, CFA
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Head of Asset Allocation Products
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GUNTHER WESTEN
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MATTHIAS LACKMANN
Asset Manager Corporate Credit IG
ODDO BHF AM GmbH

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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