MONTHLY *investment* BRIEF

ODDO BHF ASSET MANAGEMENT

Bull & Bear – It's not all about recession

After a nerve-racking four months for investors, the market has entered a phase of horizontal consolidation marked by continued high volatility. The European equity market is trading at 12.7x 12-month earnings, a 13% discount to its 10-year average (14.5x). The recent de-rating (lower P/E ratio) reflects investors' recognition of rising bond yields and the massive capital outflows triggered by the war in Ukraine. A bear market in equities even as we were witnessing a bull market in profits. But the market is nothing short of contradictory at the moment. We will come back to this.

What catalysts could restore investors' risk appetite?

Any de-escalation in the Russia-Ukraine war would support appetite for European equities. Rather than outlining more or less realistic scenarios on the evolution of the conflict, let's focus on the three main catalysts that could restore investors' risk appetite.

1. A marked decline in inflation leading to a less restrictive policy by central banks. This catalyst seems obvious given the extent to which the tightening of financial conditions has depressed operators.
2. A reacceleration of the Chinese economy brought about by a reopening and a pronounced fiscal stimulus. European earnings are indeed highly exposed to Chinese growth, both directly through revenues generated in China and indirectly through the supply chain. In this respect, the gradual reopening of Shanghai is good news and recent infrastructure spending should help support the Chinese economy and therefore, the consumption of European products.
3. Sustained corporate margins thwarting the gloomiest of forecasts. The consensus forecast is that earnings per share for European companies will rise by an average 13% this year, and by 7.6% if commodity-related sectors are excluded. This is significantly higher than at the beginning of the year when expectations were limited to a 7% increase. However, the recent trajectory of the economy and more specifically the implementation of a less accommodating monetary policy lead us to be more cautious than the consensus. Admittedly, if the European economy does not fall into a sharp recession, there is a chance that the expected wave of downgrades will not occur, as margin compression could be partially offset by higher revenues.

But let's be clear, while the fall in share prices through higher discount rates is probably behind us (we are close to the inflation peak), the danger that it will turn into a drop justified by sagging earnings is as real as ever. The faster inflation falls, the more valuations will improve as rates drop. But if falling inflation also means recession, then earnings will be hit hard, more than offsetting the positive effect of rates.

It's not all about the recession

For now, there is still no consensus on a global economic recession. Unfortunately, however, the economy doesn't have to be in recession to see a drop in profits.

Why? The answer lies in the concept of operating leverage. Sales may be volatile, but costs - which are dominated by wages - are fixed and much slower to adjust. If sales growth is higher than cost growth, then the leverage on profit growth is considerable. This is the magic of operating leverage. But if the opposite happens, the magic turns into a nightmare. Operating leverage reverses, and profits collapse. We therefore recommend limiting the weight of the most cyclical companies today, with the exception of service companies, which will benefit greatly from the reopening of the economy after the Omicron wave.

Too early to significantly reposition on European equities

Europe is already stagnant and on the verge of a recession in the coming quarters. Rising input costs and a likely increase in wages show that the squeeze on margins is already underway. For the time being, exporting companies, which are very present in the indices, have benefited from a favourable exchange rate effect which has limited the impact and caused few negative comments from business leaders. But this is the tree that hides the forest, and a reappreciation of the euro is possible if monetary rates return to positive territory. In this sense, the "valuation" signal alone does not authorise a significant repositioning on the European equity markets. If we go back to our trigger criteria, at least two of the three criteria are not met.

Source: ODDO BHF AM, comments as of 06/06/2022

However, we had recommended repositioning on Chinese equities. A little early perhaps, but we are sticking with this choice. Over one month, the MSCI CHINA is up 6.85%. Here, positions should be further increased because at 10.4x earnings, the Chinese market has rarely offered such a discount compared to developed markets and should benefit from the reopening of the economy in the coming weeks. The three criteria are therefore met, as long as the Chinese central bank's policy supports companies and particularly the real estate segment, which has been faring badly over the past year.

In bonds, we are seeing a pause in the rise in interest rates, as expected, but this should be used to sell the least liquid assets. High yield does not yet offer an attractive risk/return ratio. It is only if the recession sets in that high yield becomes a buying opportunity, but we are not there yet.

What if there is no recession? What if central banks achieve a soft landing? Then yes, we will have a strong buy signal, especially on equities. **In the meantime, we remain slightly underweight, concerned about analysts' complacency about the impact of the slowing economy on profits and certain that central banks will not deviate in their desire to "break" inflation.** Unfortunately, the tightening of financial conditions and the sharp liquidity withdrawal in the market remain the key criteria dictating our allocation.

But after the decline at the beginning of the year, pockets of investment are reappearing. We mentioned some US technology stocks in our last editorial, and Chinese stocks are now adding to our pockets of diversification. The year is far from over...

LAURENT DENIZE
Global CIO,
ODDO BHF AM

Source: ODDO BHF AM, comments as of 06/06/2022

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02 MARKET ANALYSIS

EQUITIES

FIXED INCOME

COMMODITIES & CURRENCIES

03 CURRENT CONVICTIONS

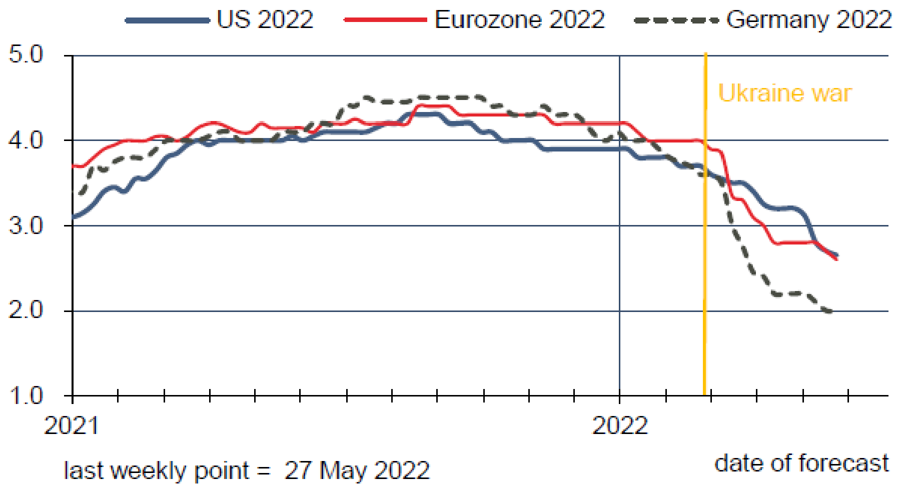
01

MACROECONOMIC *outlook*

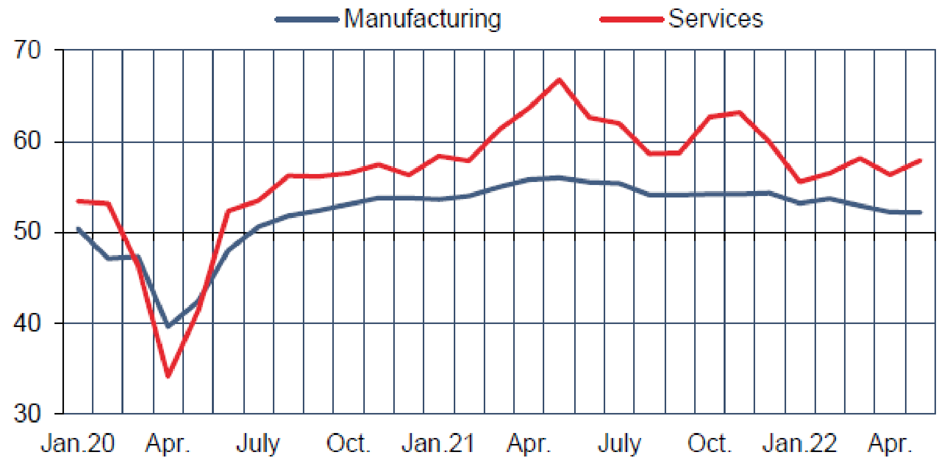
Growth outlook

DOWNGRADES ARE MOSTLY THROUGH – FOR NOW

REAL GDP GROWTH – CONSENSUS FORECASTS (Y/Y%)



GLOBAL PMI (POINTS)

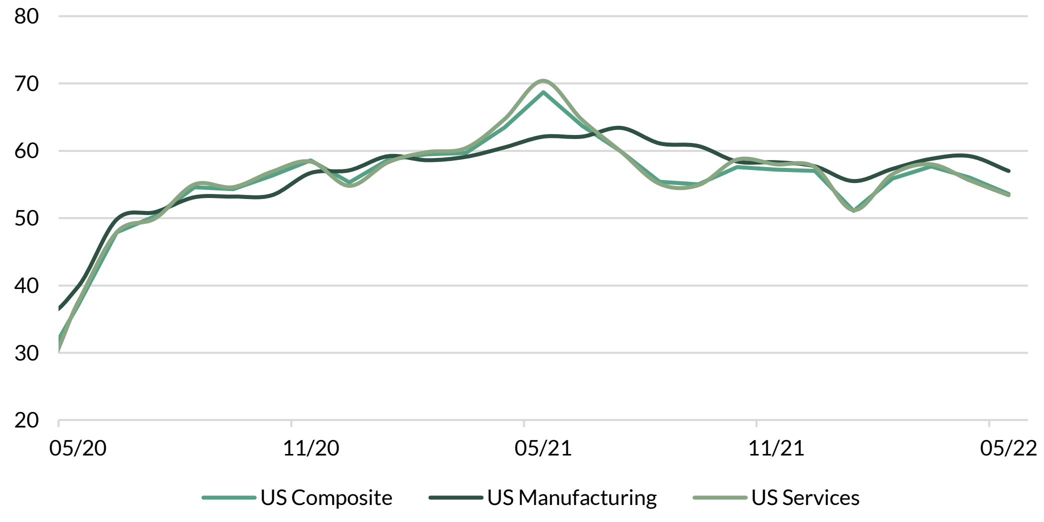


- GDP revisions strong in the Eurozone, but US growth forecasts have been cut also significantly recently
- Negative momentum now also spills over into 2023 outlooks

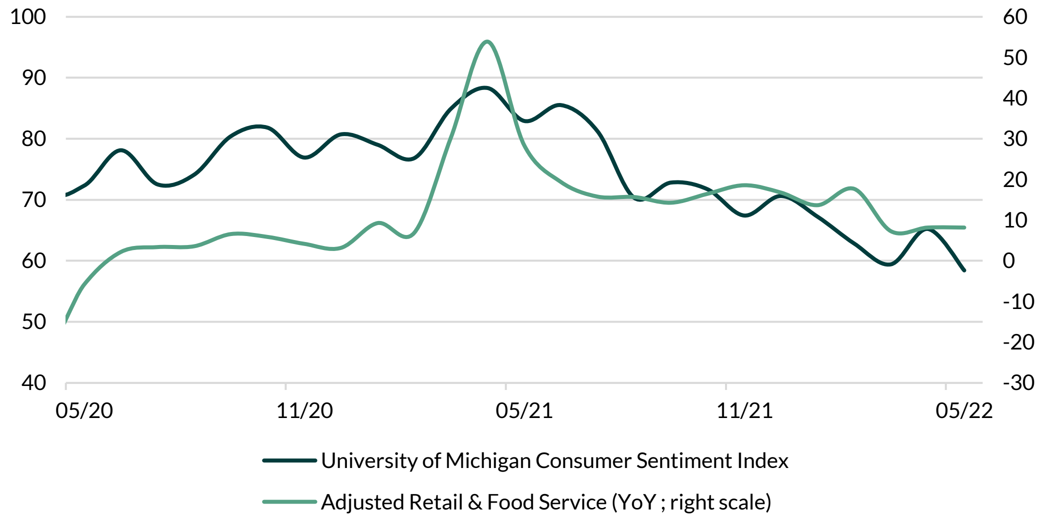
Sources: ODDO BHF AM SAS, ODDO BHF Securities

USA
MOMENTUM STARTS TO FADE

PMI SERVICES & MANUFACTURER



RETAIL SALES & CONSUMER CONFIDENCE



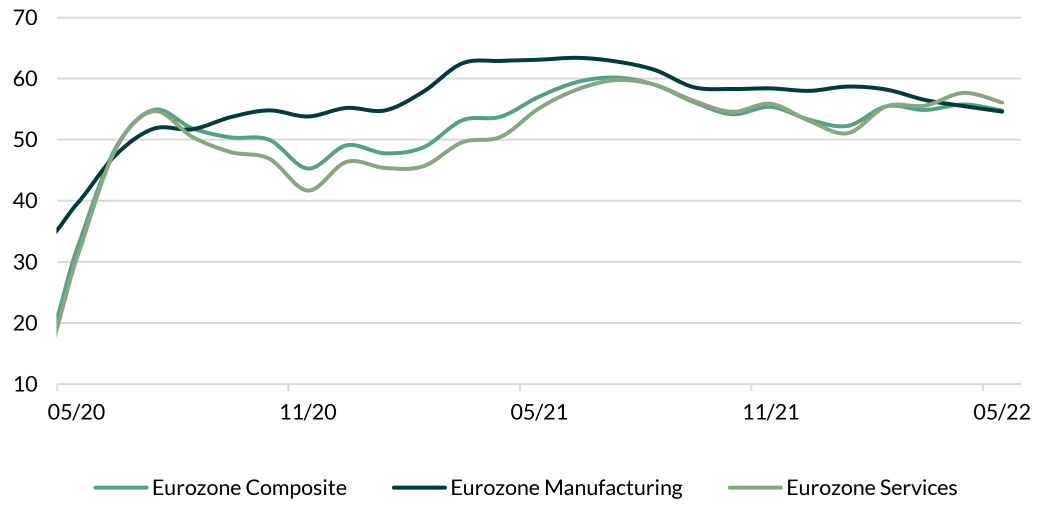
- May manufacturing ISM came in a tad higher reflecting a so far resilient manufacturing sector which is being propped up by capital investment spending
- The property sector is showing first hints of weakening as higher mortgage rates are beginning to bite
- The ongoing shift in consumer demand from durable goods to service should ease some of the price pressures

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 05/31/2022

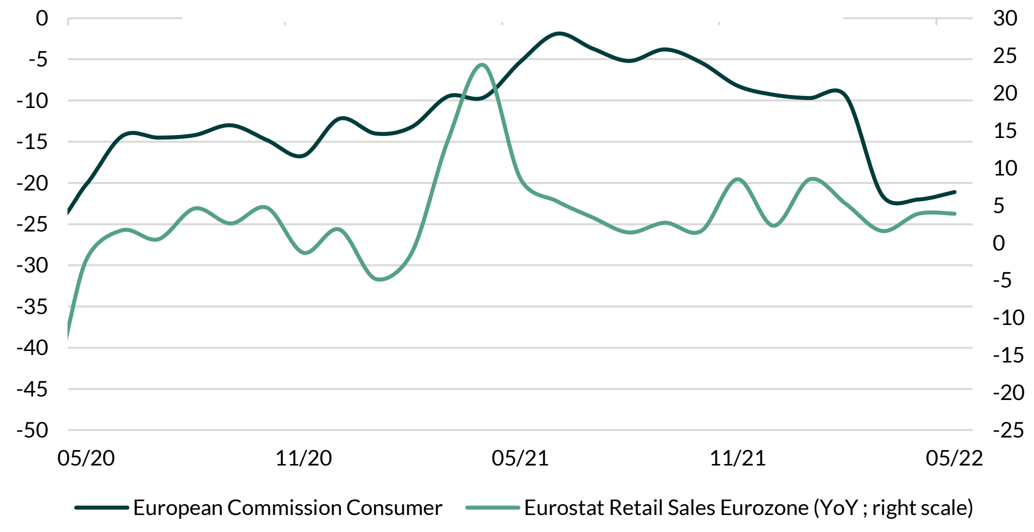
Europe

RECESSION RISK ELEVATED BUT HAS NOT INCREASED

PMI SERVICES & MANUFACTURER



RETAIL SALES & CONSUMER CONFIDENCE

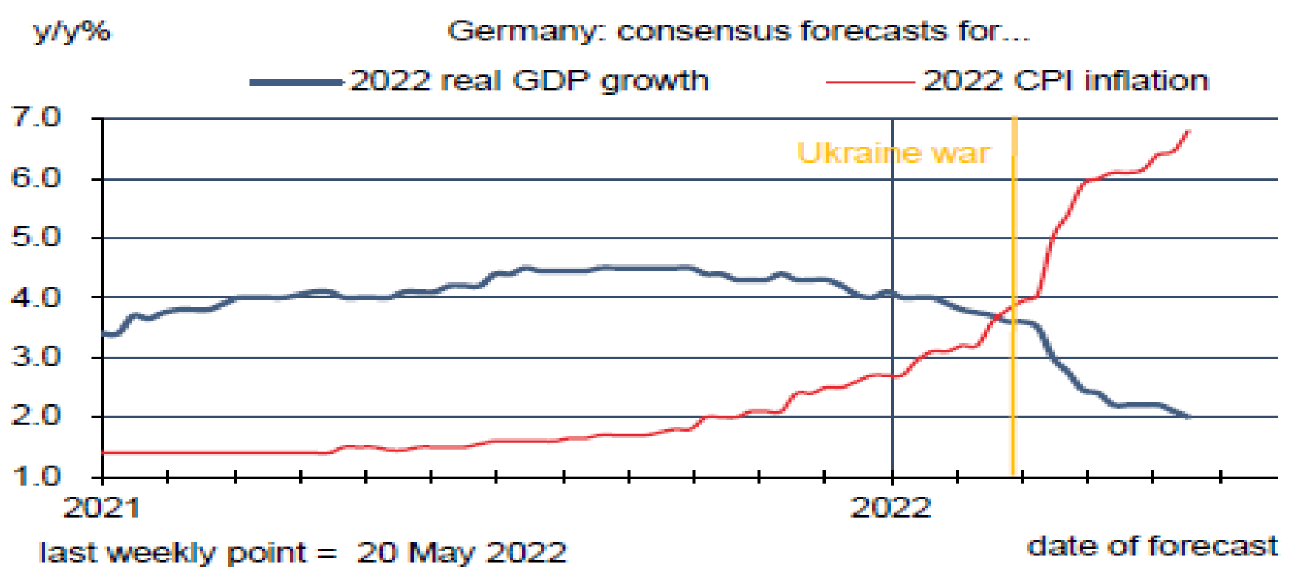


- May PMI in the Eurozone grinds lower, but still reflective of a positive growth environment
- Composite PMI eases from 55.8 to 54.8 dragged by services and manufacturing alike
- Private consumption is still being lifted by reopening pent-up demand and booming tourism
- Tentative indications of easing supply pressures, but too early for relief

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 05/31/2022

Germany: inflation soars, GROWTH STALLS

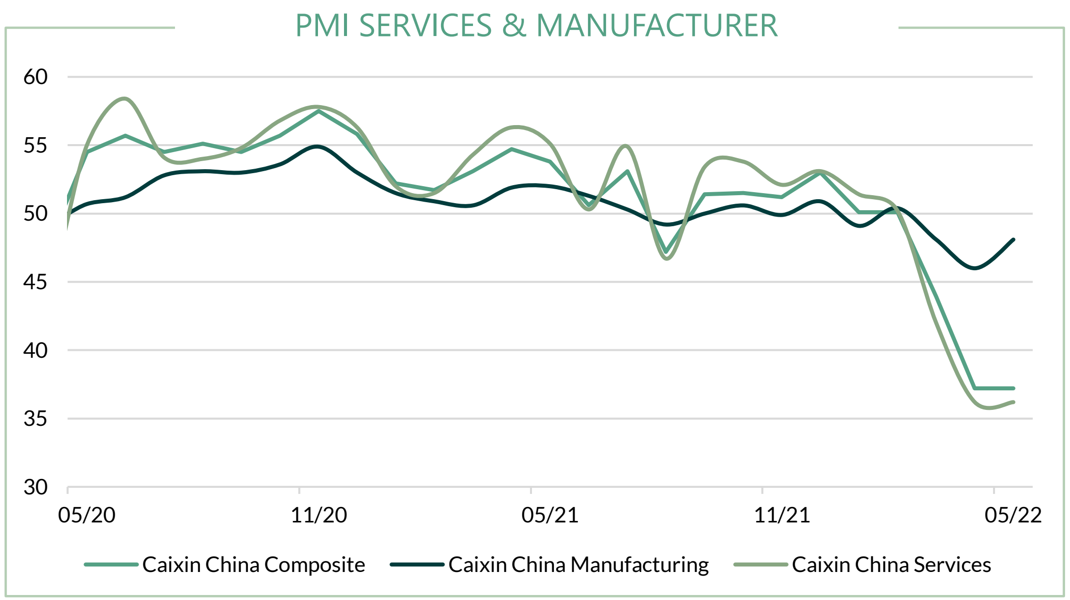
ALLEMAGNE: ATTENTES DU CONSENSUS

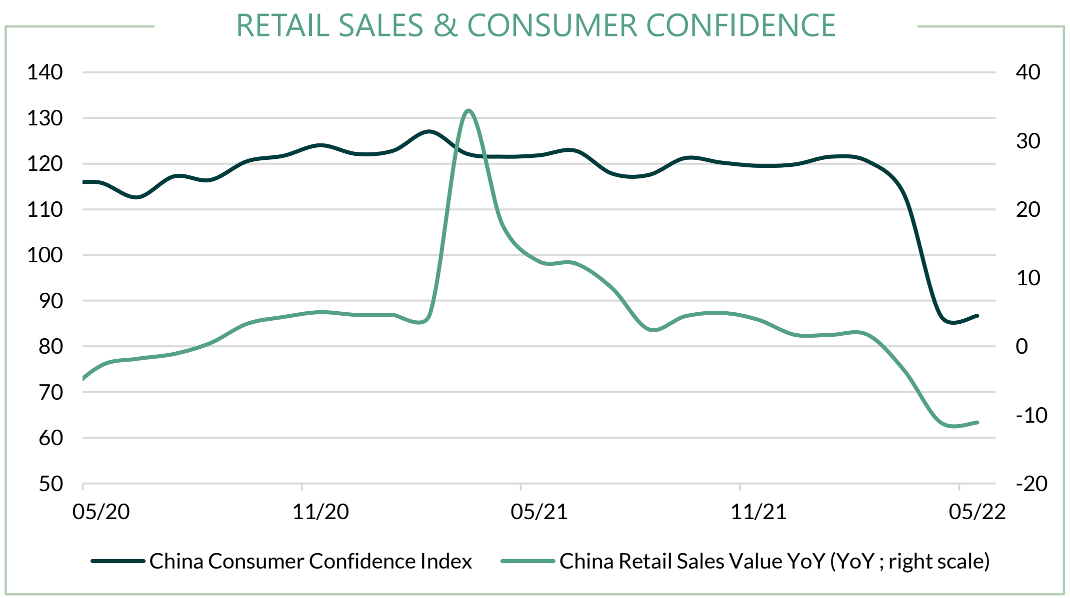


Sources: ODDO BHF AM SAS | ODDO BHF Securities

China

THE BEGINNING OF STABILISATION?



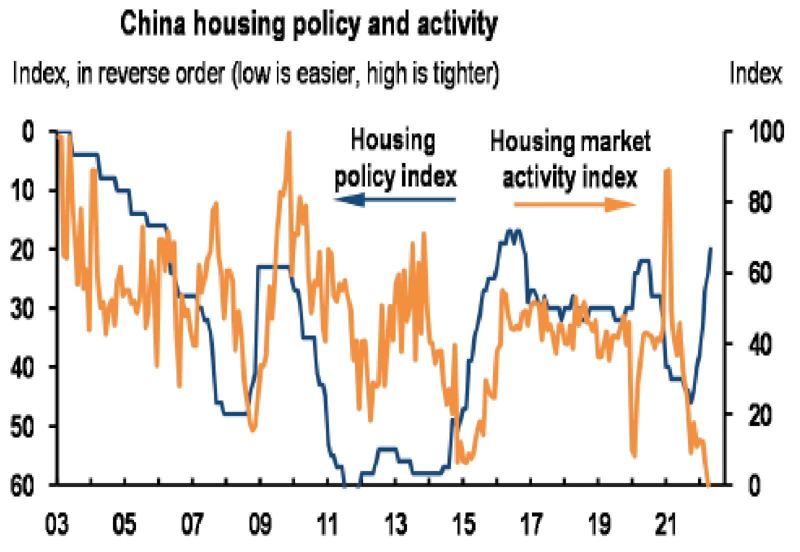


- Composite PMI rebounds to 48,4 in May from 42.7, mostly triggered by a strong pick-up in the services component
- That comes despite ongoing lockdowns over the reporting period
- Reopening may trigger a further rebound in activity, but the zero covid strategy prevents an all-clear for now
- Policy is likely to adopt a more expansionary stance to stem the growth drag, but is hampered by property excesses

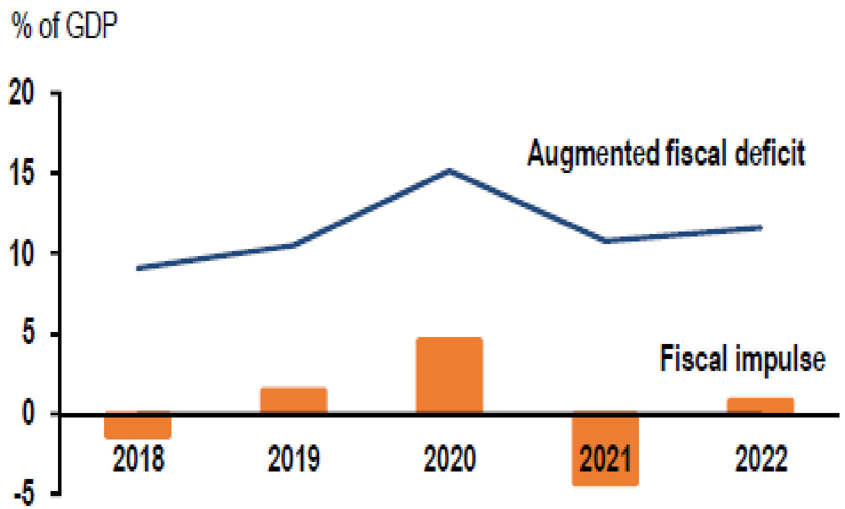
Sources: ODDO BHF AM SAS, Bloomberg | Data as of 05/31/2022

China
AUTHORITIES AT WORK

LOWERING THE 5-YEAR RATE WILL HAVE POSITIVE EFFECTS



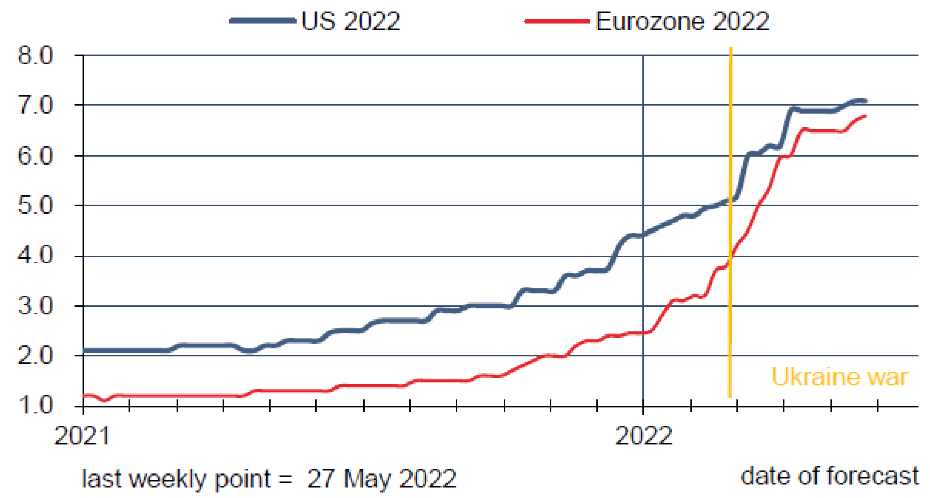
CREDIT IMPULSE



Sources: ODDO BHF AM SAS. JP Morgan constructed, NBS data, CEIC

Inflation expectations
HAS INFLATION REACHED A PLATEAU?

CPI INFLATION – CONSENSUS FORECASTS (Y/Y%)



BREAKING DOWN THE INFLATION TREND

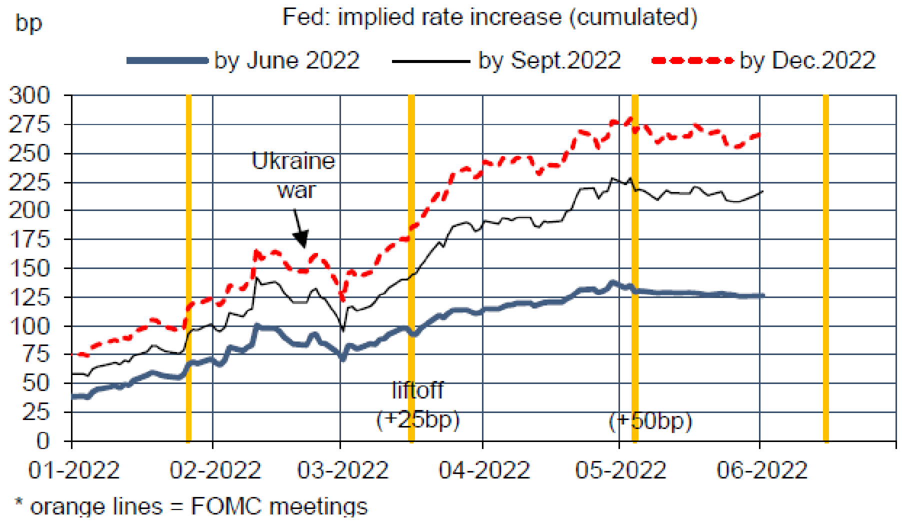
		CPI	Energy	Food	Core goods	Core services
Eurozone - CPI inflation						
- May 2022 (a)	y-o-y%	8.1	39.2	7.5	4.2	3.5
- December 2021 (b)	y-o-y%	5.0	25.9	3.2	2.9	2.4
- difference (a-b)	%-point	3.1	13.3	4.2	1.3	1.0
PEAK ?		not yet	uncertain	no	no	no
US - CPI inflation						
- April 2022 (a)	y-o-y%	8.3	30.2	9.0	9.7	4.9
- December 2021 (b)	y-o-y%	7.1	29.4	6.0	10.7	3.7
- difference		1.2	0.7	3.0	-1.0	1.2
PEAK ?		possibly	uncertain	no	yes	possibly

- Near term inflation expectations keep surging with spiking energy and food prices
- Inflation path in the Eurozone does not look promising: even higher from here and more persistent
- In the US a peak might be close, but is not a given as persistent bottlenecks add to input price pressures
- Stagnating and partly receding delivery times as well as price components in some leading indicators may give credence to the "peak inflation" narrative

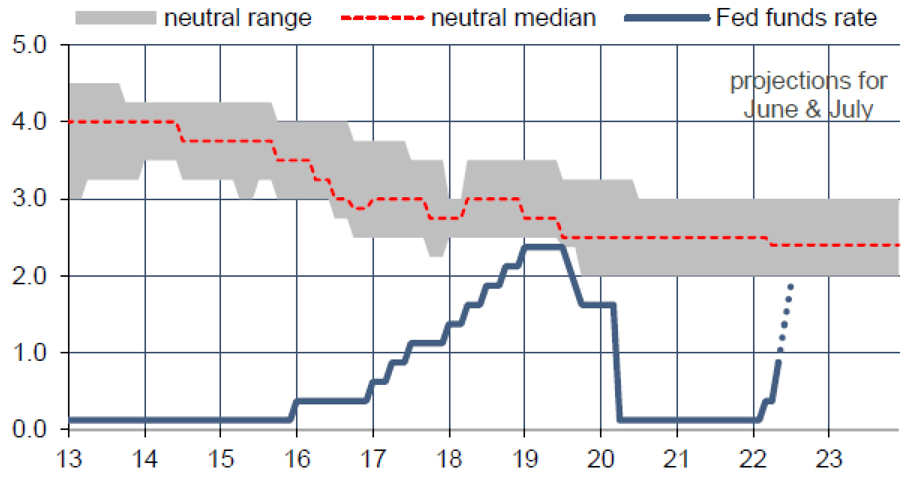
Sources: ODDO BHF AM SAS, ODDO BHF Securities

FED policy
AN INFLEXIBLE FED

FED IMPLIED POLICY RATES



FED FUNDS: ACTUAL VS NEUTRAL LEVEL



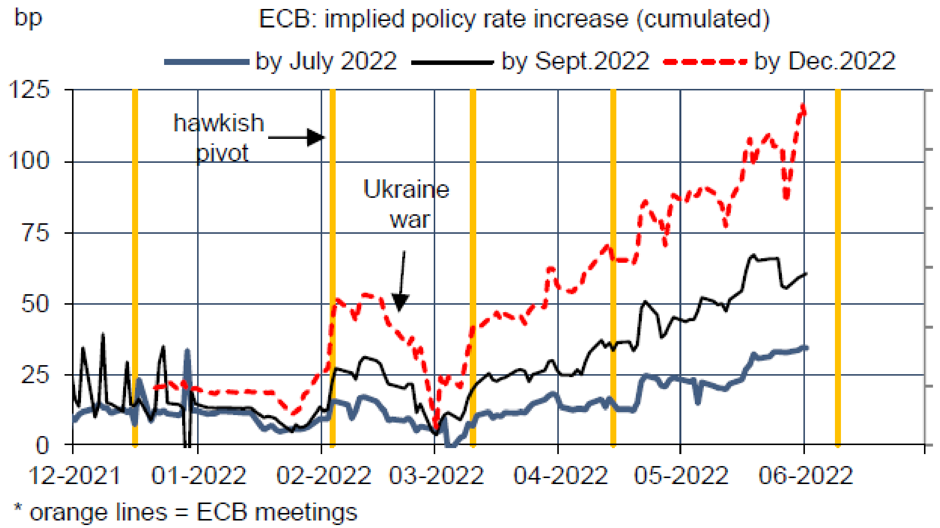
- FED hike expectations have peaked at around 3,25% in 2023 and slightly decelerated to around 2,8% for the end of 2022
- A pause in September, as some investors hope for, is extremely unlikely

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

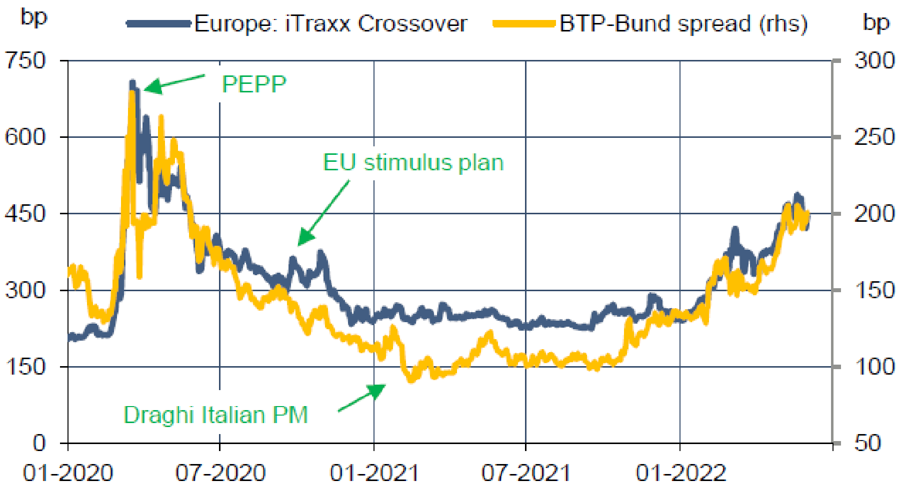
BCE policy

ECB FEELS THE HEAT

ECB IMPLIED POLICY RATES



CREDIT SPREADS

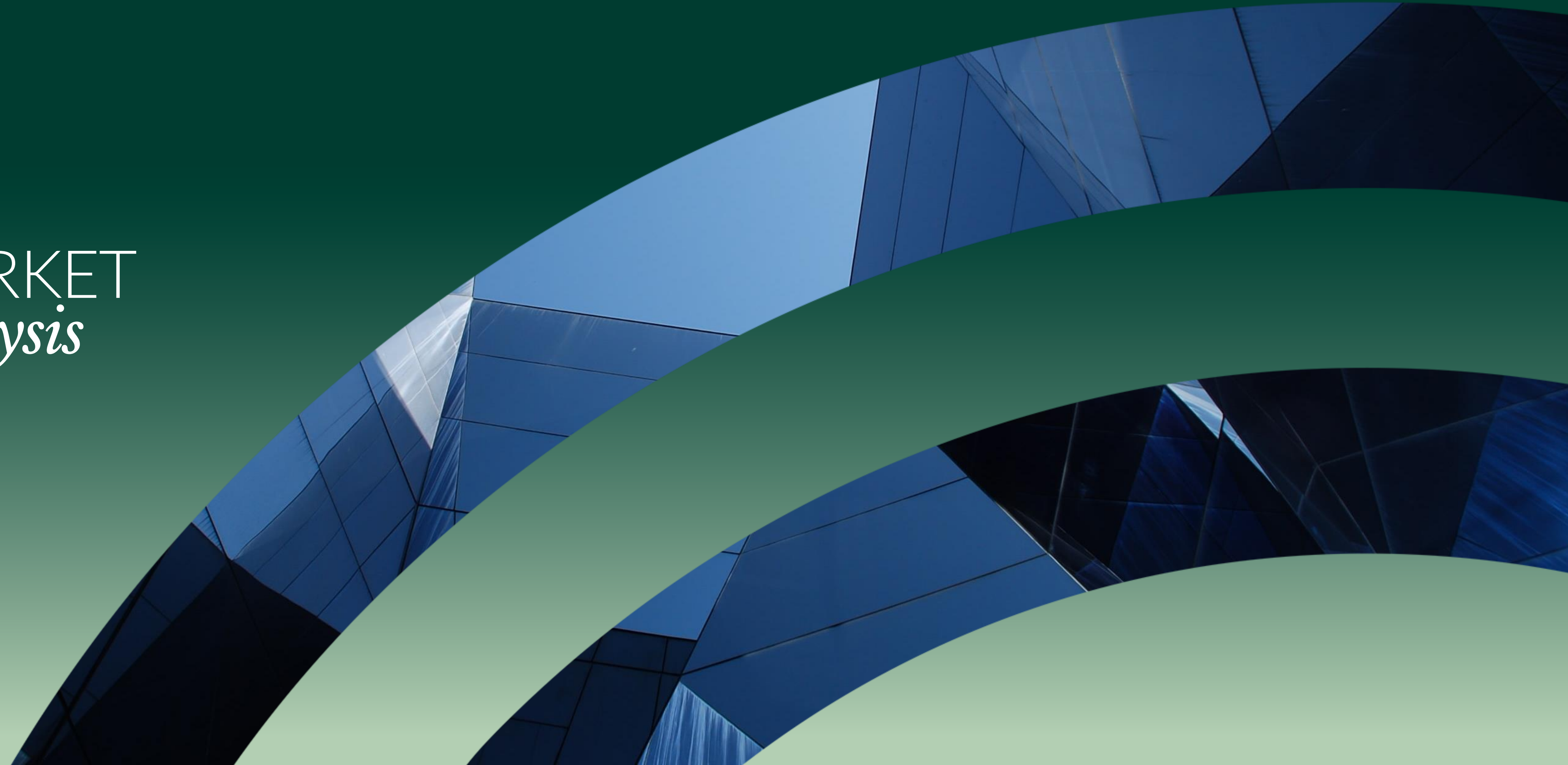


- ECB starts lift-off in July with subsequent three hikes until the end of the year likely
- Initial 50bp step currently a low probability event

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

02

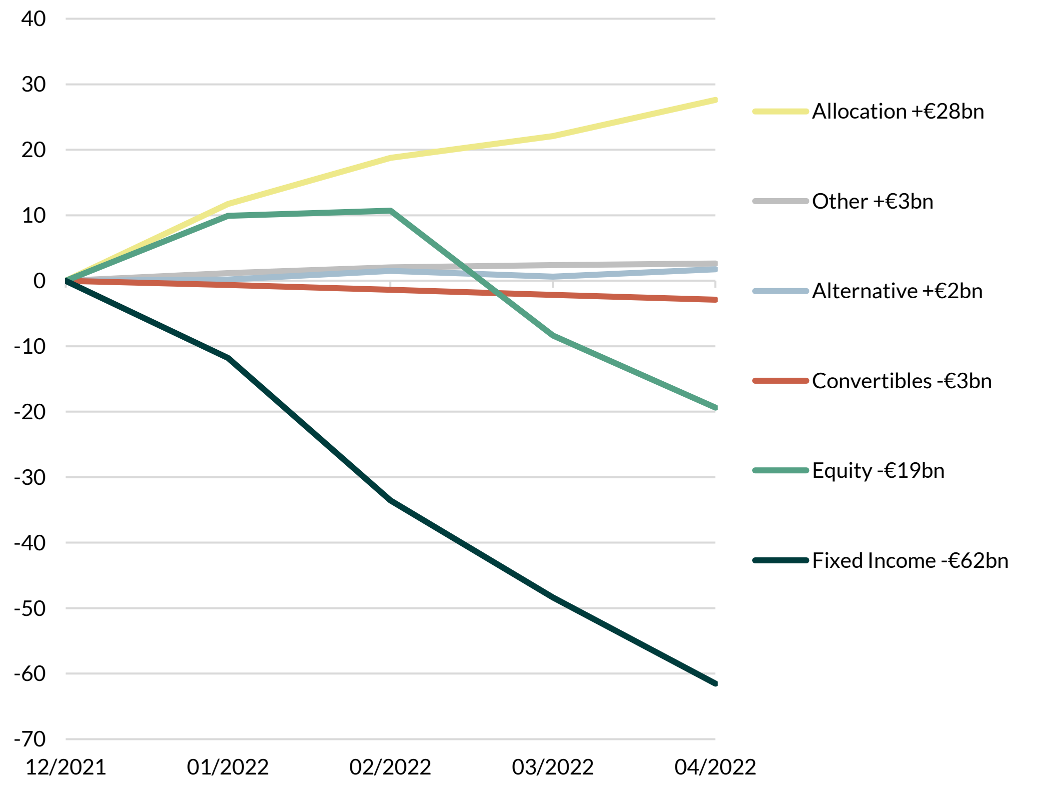
MARKET *analysis*



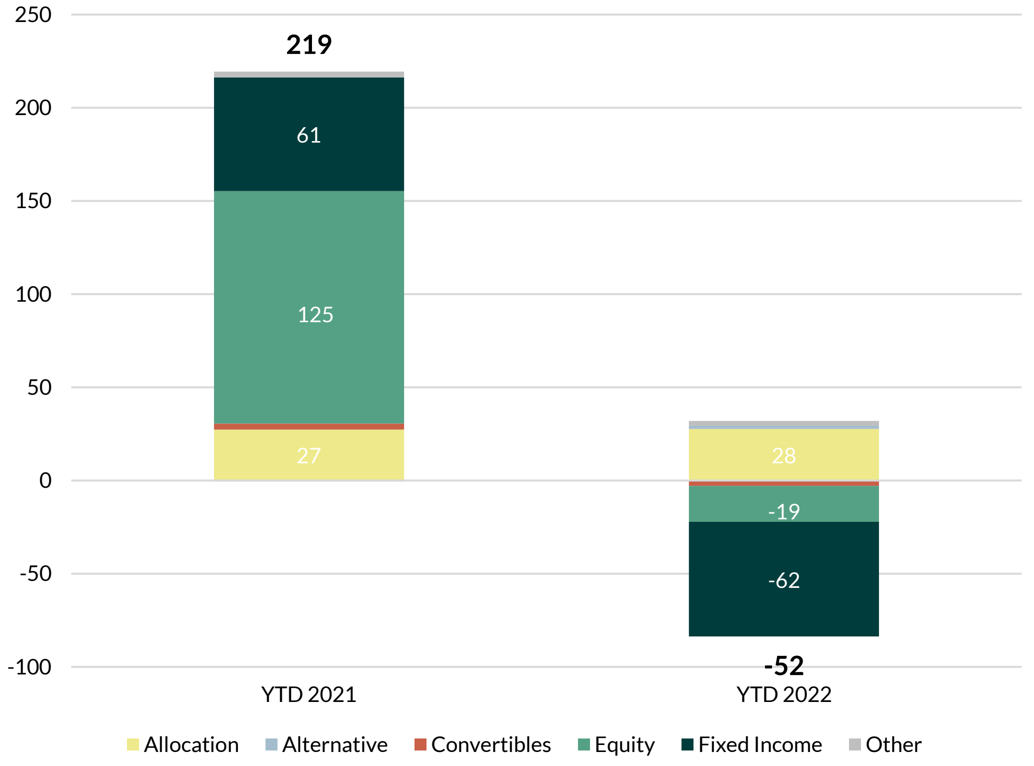
YTD European mutual fund flows

INVESTORS FLEE RISKY ASSETS

YTD CUMULATIVE FLOWS BY ASSET CLASSES (€BN)



YTD COMPARISON VS YTD -1

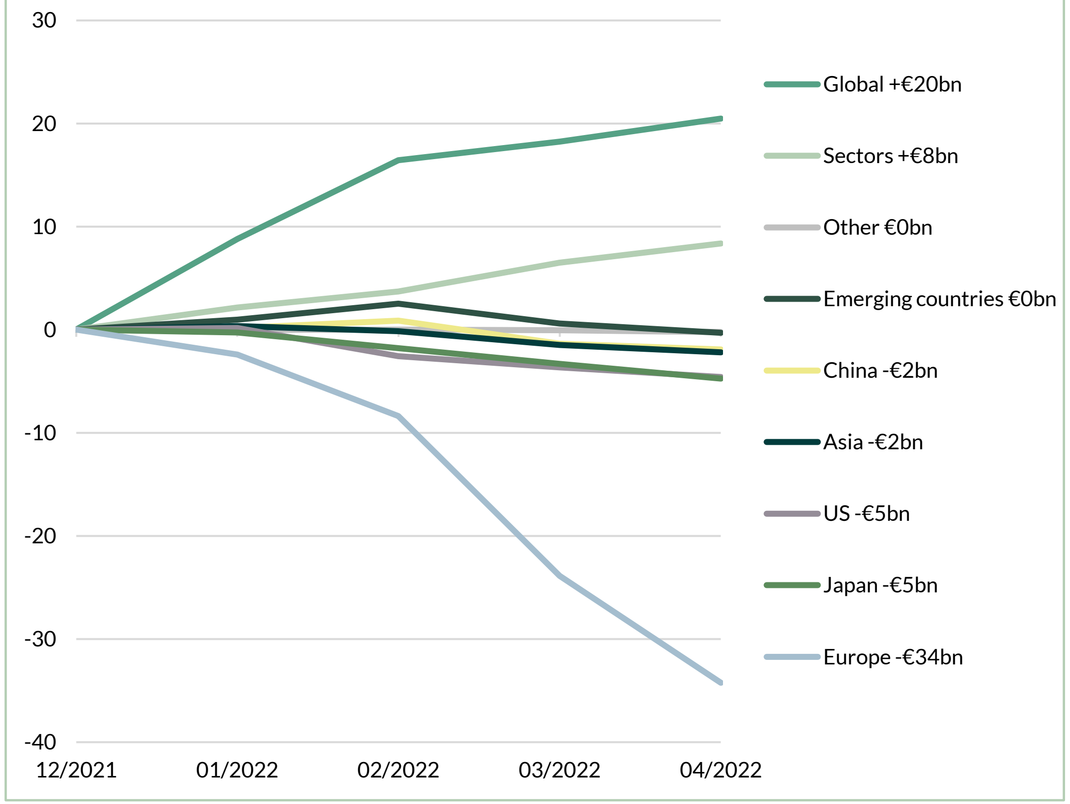


Source : Morningstar. Data as of 30.04.2022 (Europe OE ex ETF ex MM ex FoF ex Feeder (domiciled, most compr.)

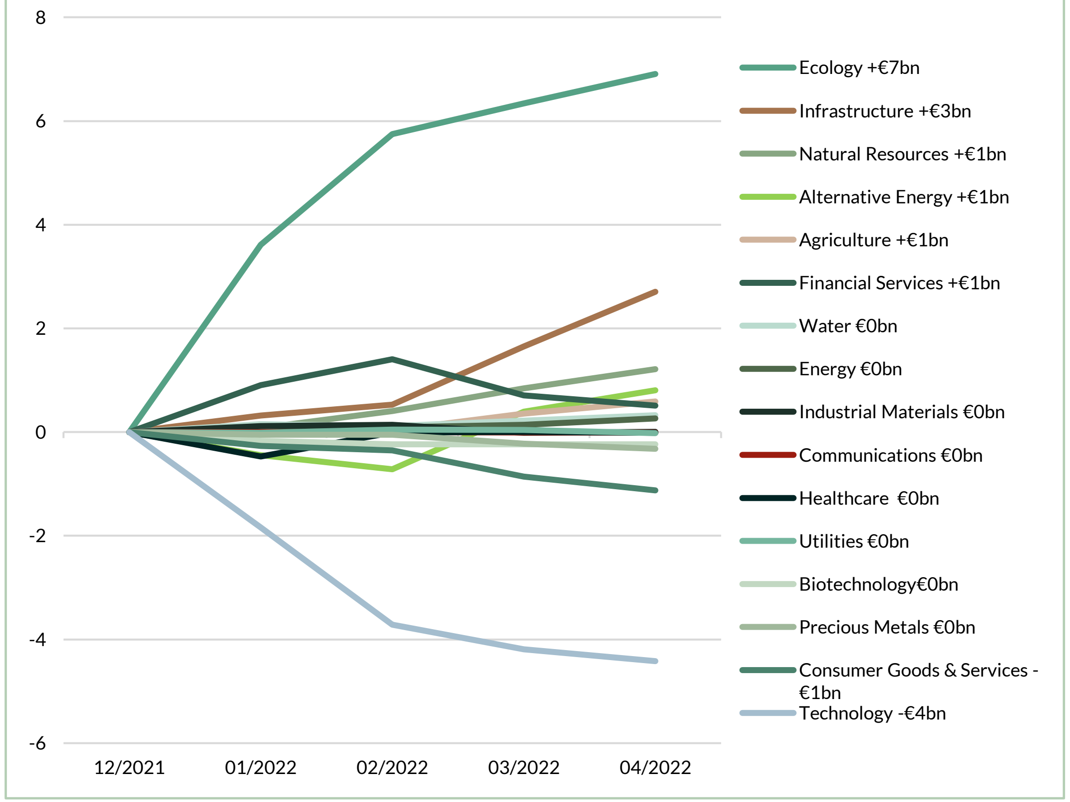
European mutual fund flows – YTD equity flows

EVER MORE ECOLOGY, A LITTLE LESS TECHNOLOGY

YTD CUMULATIVE FLOWS BY REGIONS



YTD CUMULATIVE NET FLOWS - SECTOR BREAKDOWN



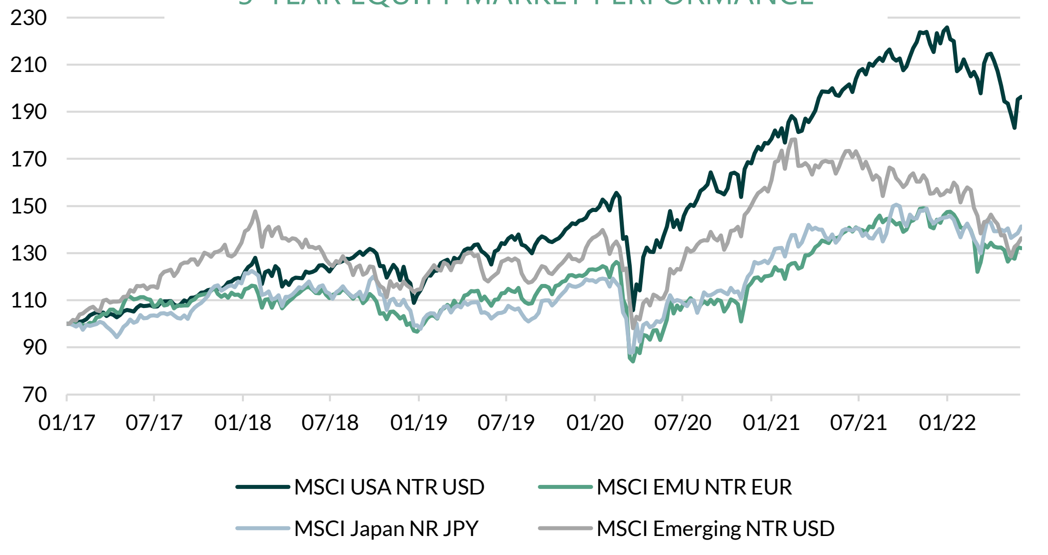
Source : Morningstar. Data as of 30.04.2022 (Europe OE ex ETF ex MM ex FoF ex Feeder (domiciled, most compr.)

01

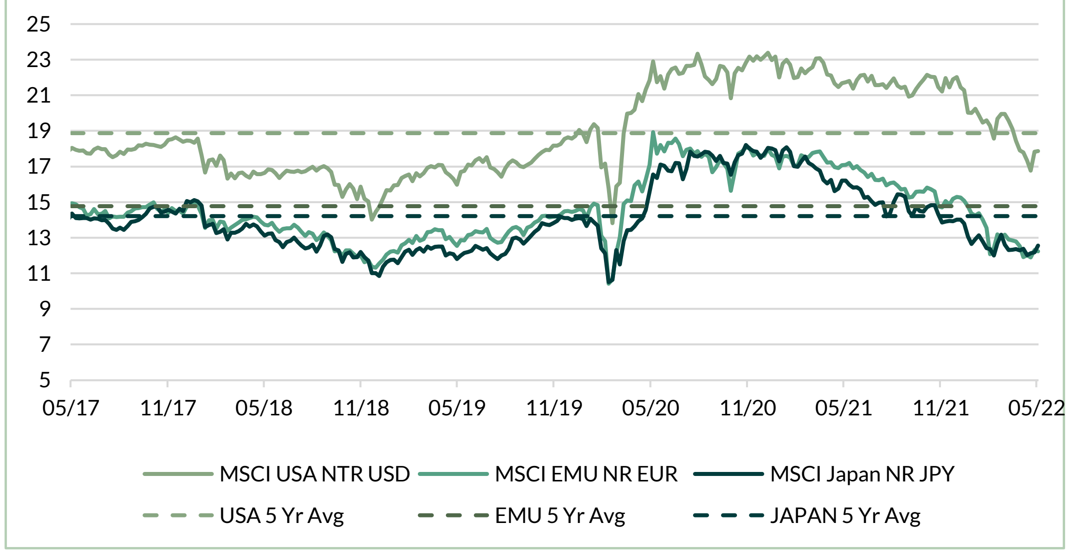
EQUITIES

Equities
CONTINUED DERATING

5-YEAR EQUITY MARKET PERFORMANCE



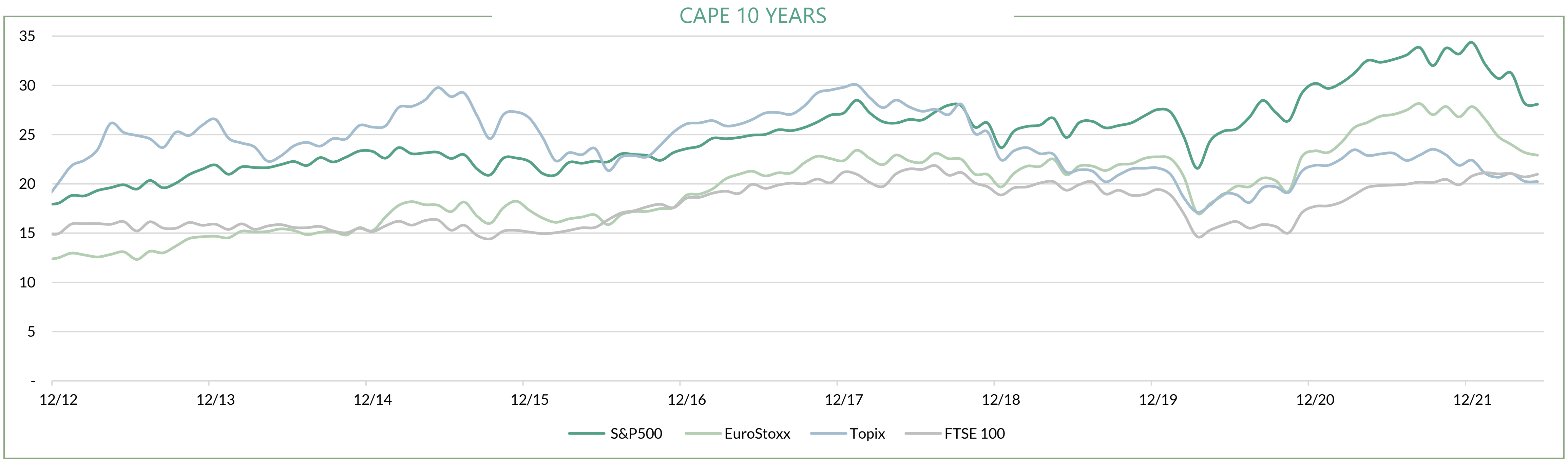
5-YEAR PRICE/EARNING RATIO



- Global stock markets posted close to flat performances in May (MSCI World -0.2%).
- Volatility surged during the first half of the month before moderating somewhat after central bankers gave some visibility regarding rates moves over the summer.
- Indexes with higher valuations ratio (Nasdaq, Indian Sensex, Swiss SMI) mostly underperformed.

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 05/31/2022

CAPE (SHILLER P/E)
CYCLE ADJUSTED MULTIPLES REMAIN HIGH

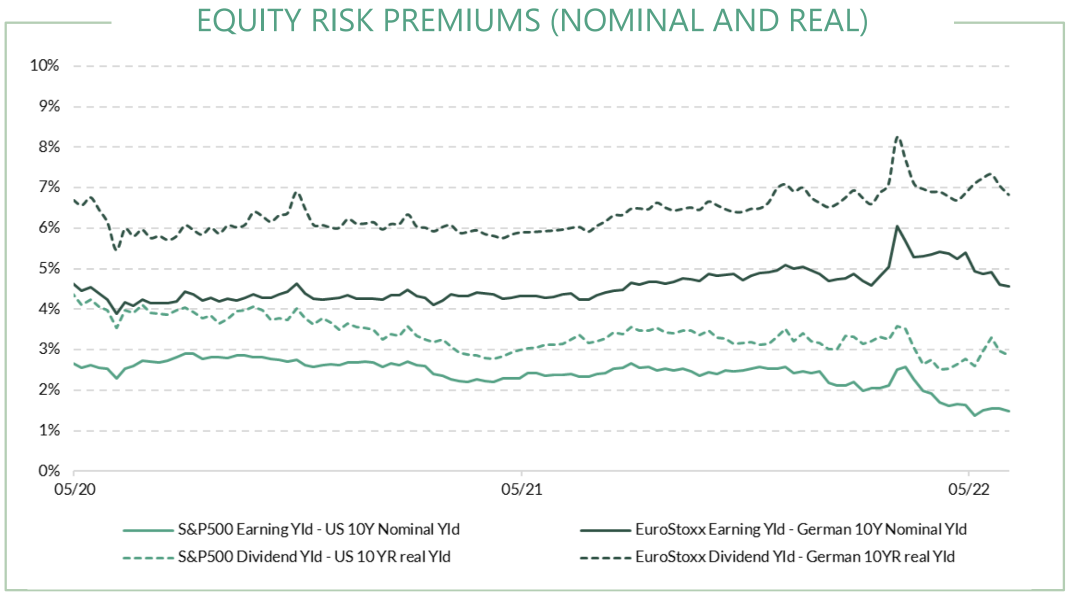


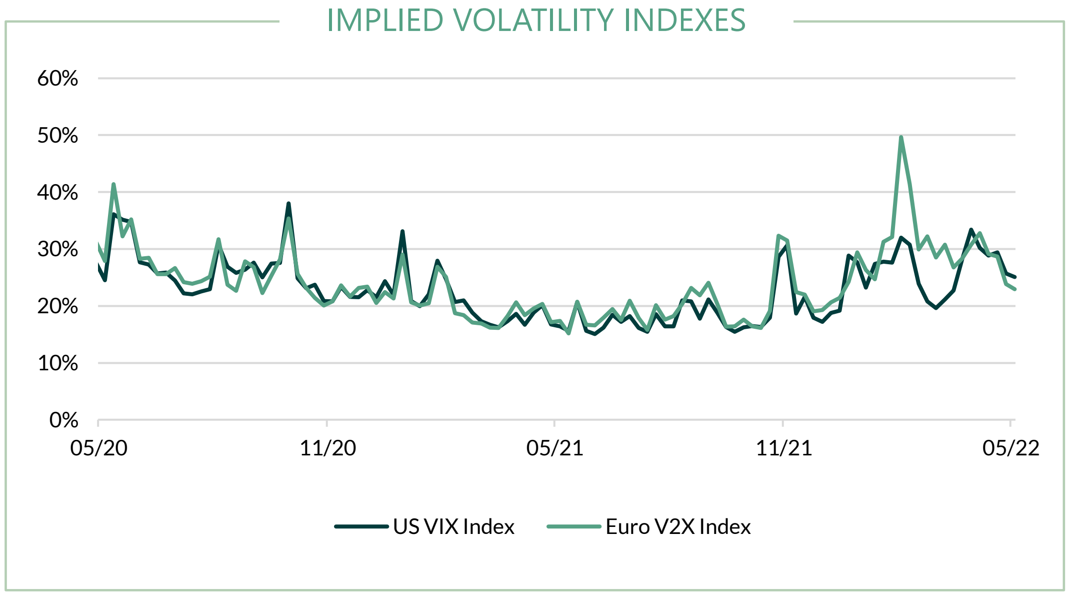
- US valuations back to still high but previously seen levels
- On a cyclically adjusted basis, FTSE100 valuation close to decade high. Mainly due to the commodity bias: are commodities just at the highest of a classic cycle?

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 05/31/2022

Risk premiums & volatility

IN THE US, THERE IS NOW AN ALTERNATIVE TO EQUITIES



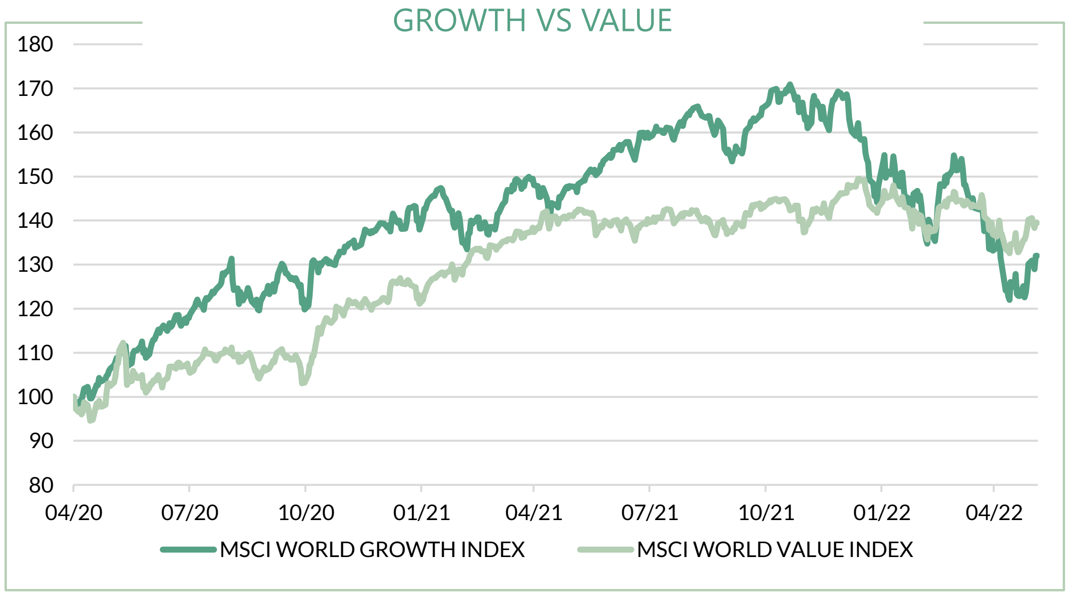


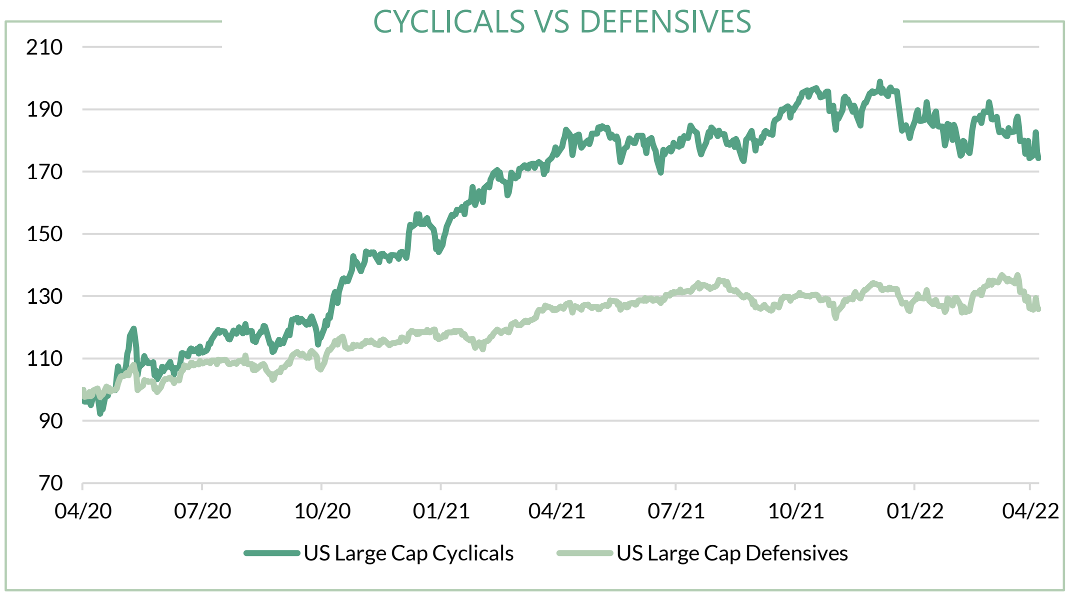
- With EUR yields rising significantly, Eurozone equity risk premium is now also at the lowest level since beginning of year.
- With breakeven also moving down, the real equity risk premium also started to move lower.

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 05/31/2022

Equities performances

VALUE RESISTS DESPITE SLUGGISH GROWTH



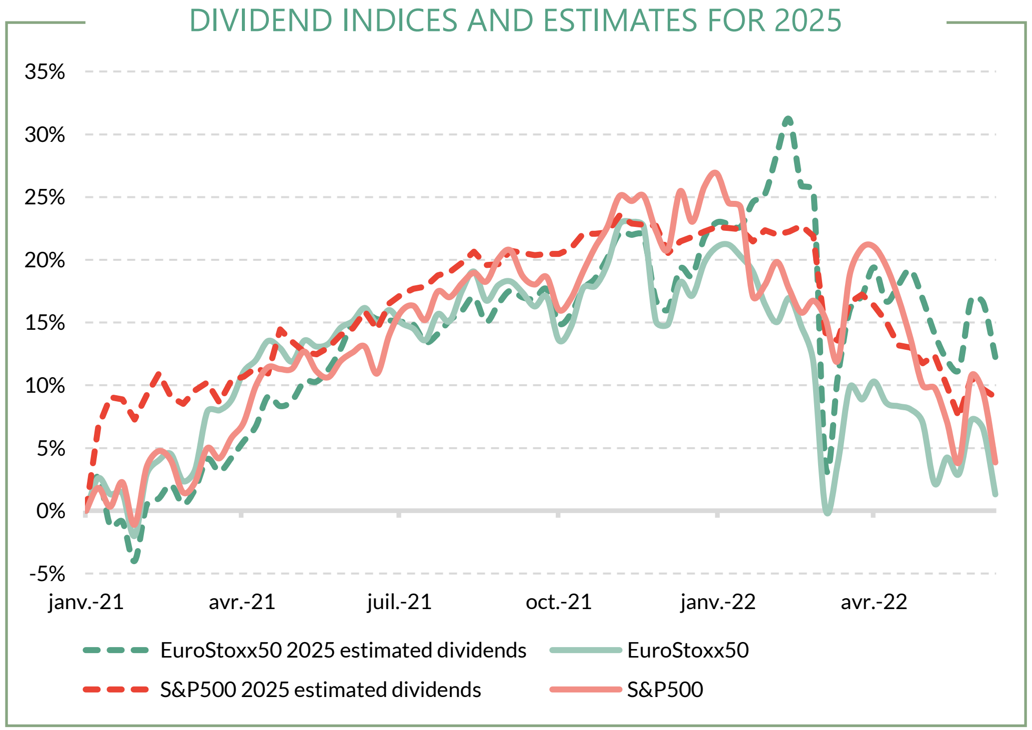


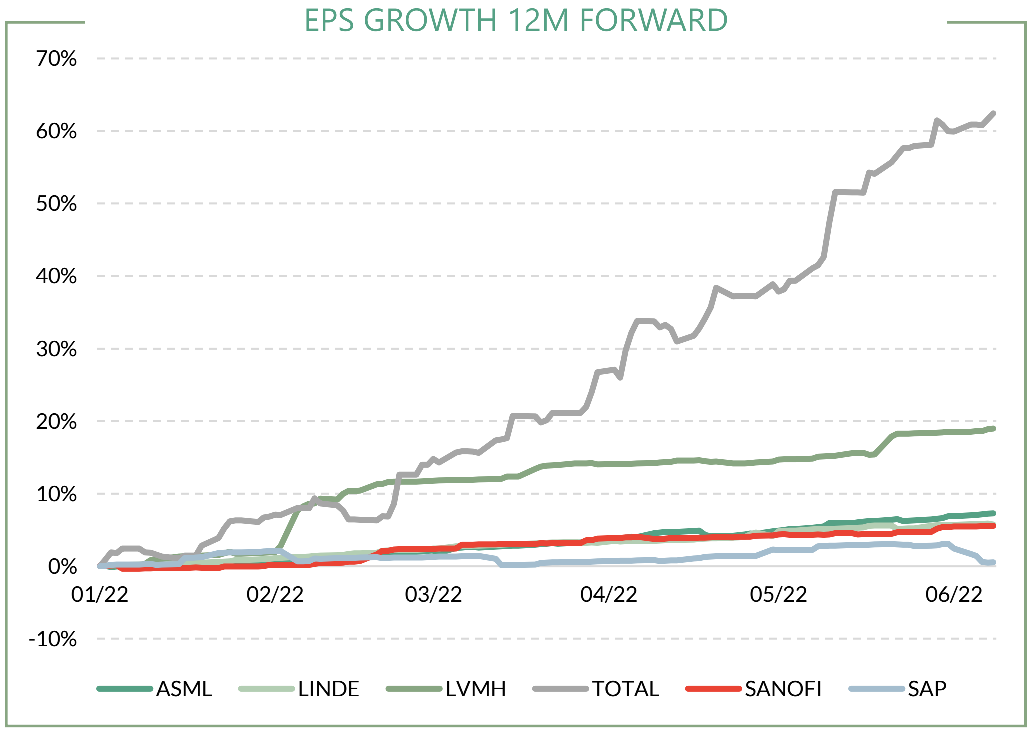
- The value factor was still slightly positive over the month.
- Energy and commodity themes overperformed in developed markets.

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 05/31/2022

European equities - sectors

DIVIDEND PROJECTIONS REMAIN STRONG

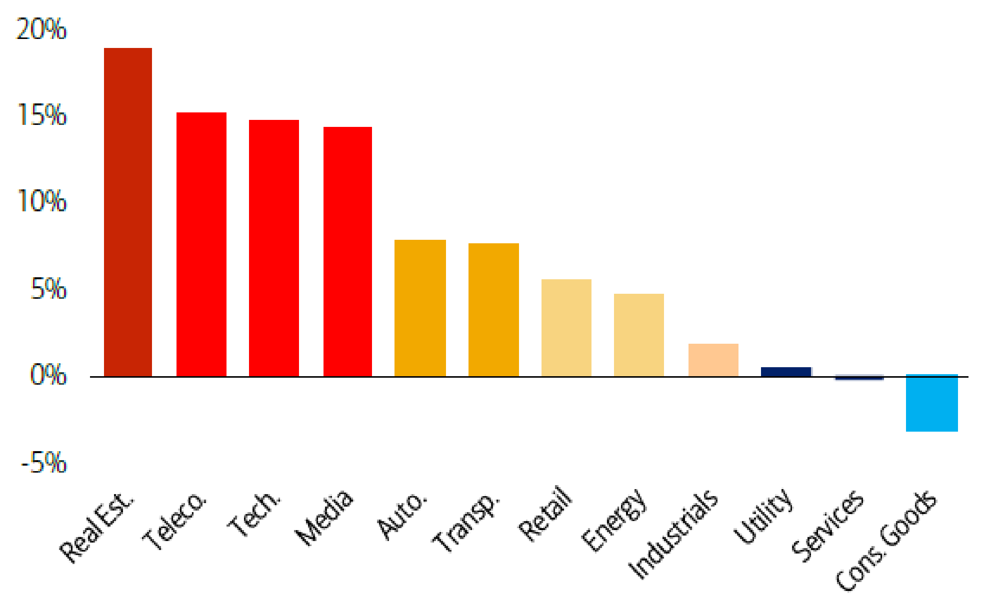




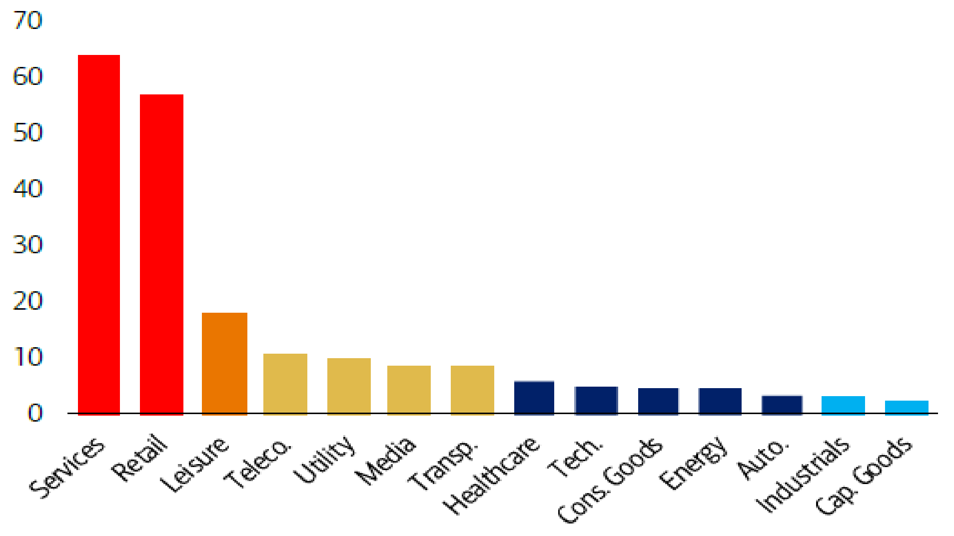
Past performances are not a reliable indicator of future performances and are not constant over time
Source: ODDO BHF AM SAS, Factset, données au 31/05/2022

European equities - sectors
MARGINS SOON UNDER PRESSURE

INCREASE IN STAFF COSTS IN 2021



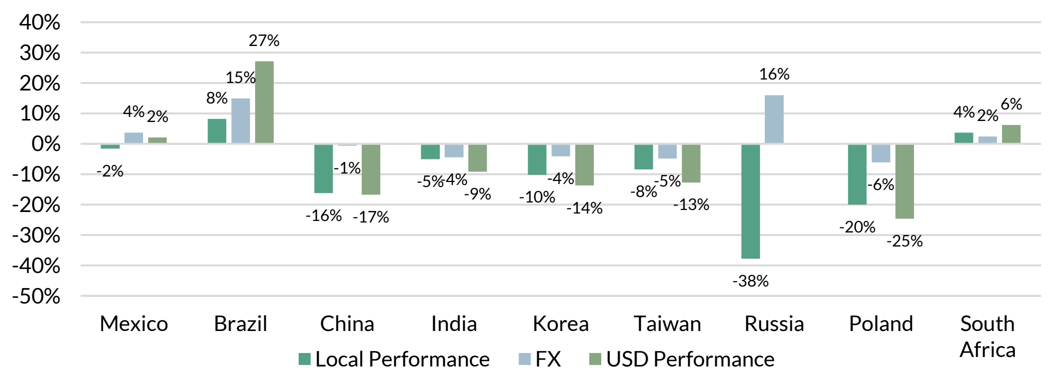
EBITDA MARGIN VOLATILITY BY SECTOR
PERIOD 2000-2021



Past performances are not a reliable indicator of future performances and are not constant over time
Source: ODDO BHF AM SAS, ICE data indices LLC | BofA Global Research, ICE data indices LLC, Bloomberg/ sample of listed non-financial corporate constituent of the ER00 index. Standard deviation over 2000-2021 period

Emerging markets
MACROECONOMIC DECOUPLING

YTD EQUITY PERFORMANCE ON MAJOR EMERGING MARKETS

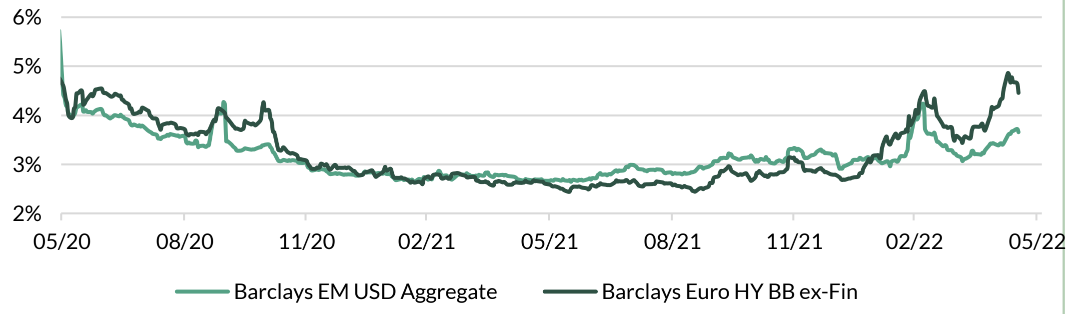


EPS (INCLUDING LOSSES) GROWTH & PE (LOCAL CURRENCY)

Emerging	PE 12mth fwd	2022/2021 est EPS Growth	2023/2022 est EPS Growth	Dividend Yield (trailing 12m)
MSCI EM	11,8	-2%	9%	2,8%
MSCI CHINA	11,8	4%	17%	2,3%
MSCI KOREA	9,5	9%	10%	2,2%
MSCI INDIA	20,4	19%	17%	1,3%
MSCI INDONESIA	15,5	14%	9%	2,9%
MSCI PHILIPPINES	17,1	29%	20%	1,9%
MSCI MALAYSIA	15,5	6%	13%	4,1%
MOEX Russia Index	2,8	42%	-6%	8,2%
WSE WIG INDEX	7,2	5%	-4%	2,9%
MSCI TURKEY	3,9	90%	-2%	4,7%
MSCI SOUTH AFRICA	9,6	9%	14%	4,0%
MSCI BRAZIL	6,2	14%	-7%	9,5%
MSCI COLOMBIA	7,7	33%	7%	4,7%
MSCI MEXICO	13,3	19%	8%	3,4%

- LatAm currencies posted large increases (BRL +5%, MXN +4%)
- Some upward revisions in expected earnings for South-East Asian markets, while earning momentum deteriorates in South-American countries.
- EM spreads still quite resilient compared to developed credit markets.

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



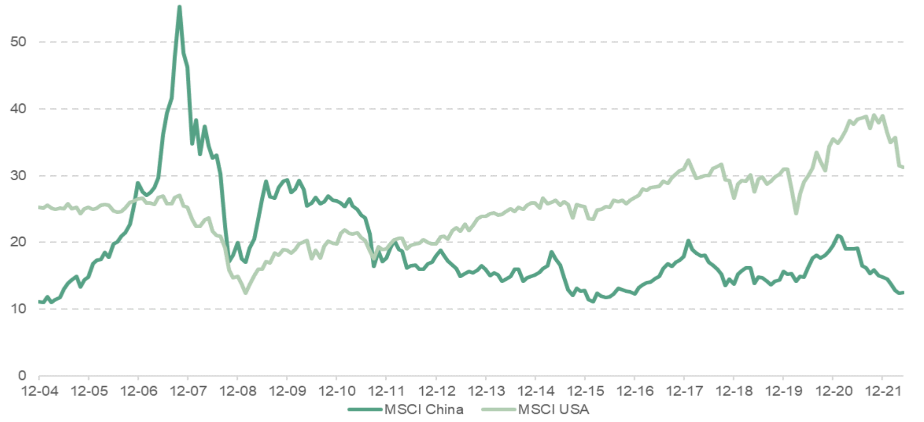
Past performances are not a reliable indicator of future performance and are not constant over time.
Sources: Bloomberg, ODDO BHF AM SAS | Data at 05/31/2022

Chinese market
HIGHLY DISCOUNTED CHINESE STOCKS

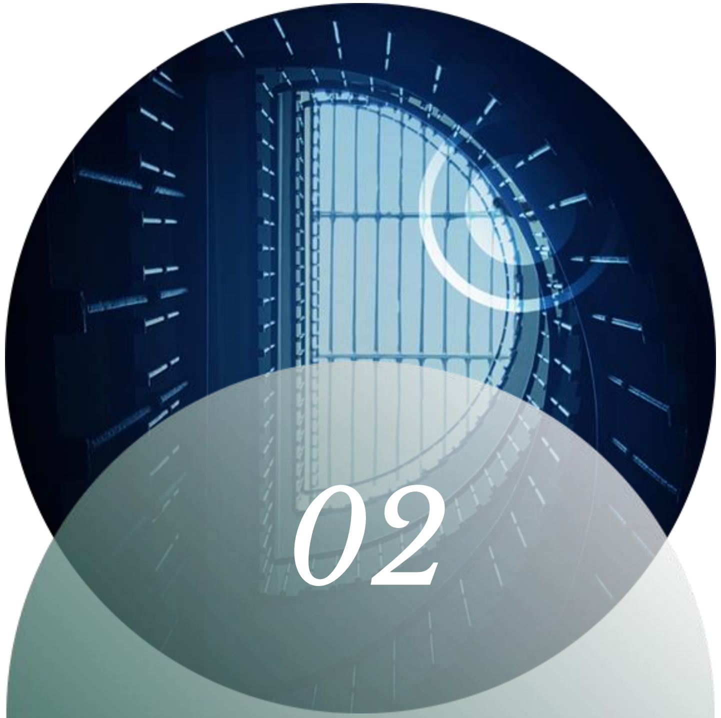
PRICE/EARNINGS RATIO 12M FORWARD

PRICE TO BOOK VALUE RATIO

ADJUSTED PE RATIOS OF THE CYCLE



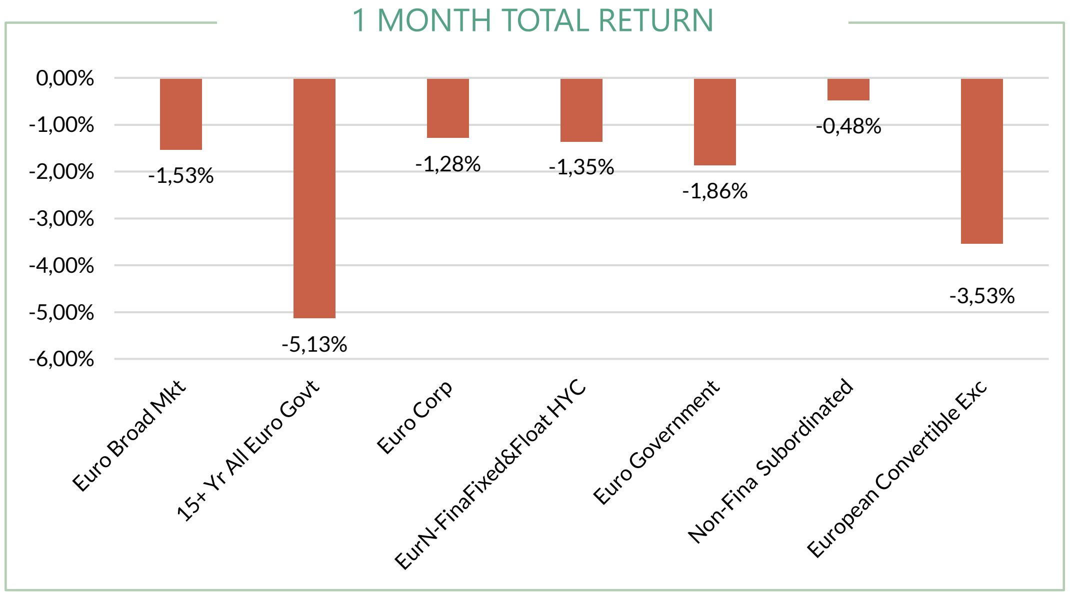
Past performances are not a reliable indicator of future performance and are not constant over time
Source: ODDO BHF AM SAS,Refintiv / ibes, Bloomberg, MSCI, BCA Research

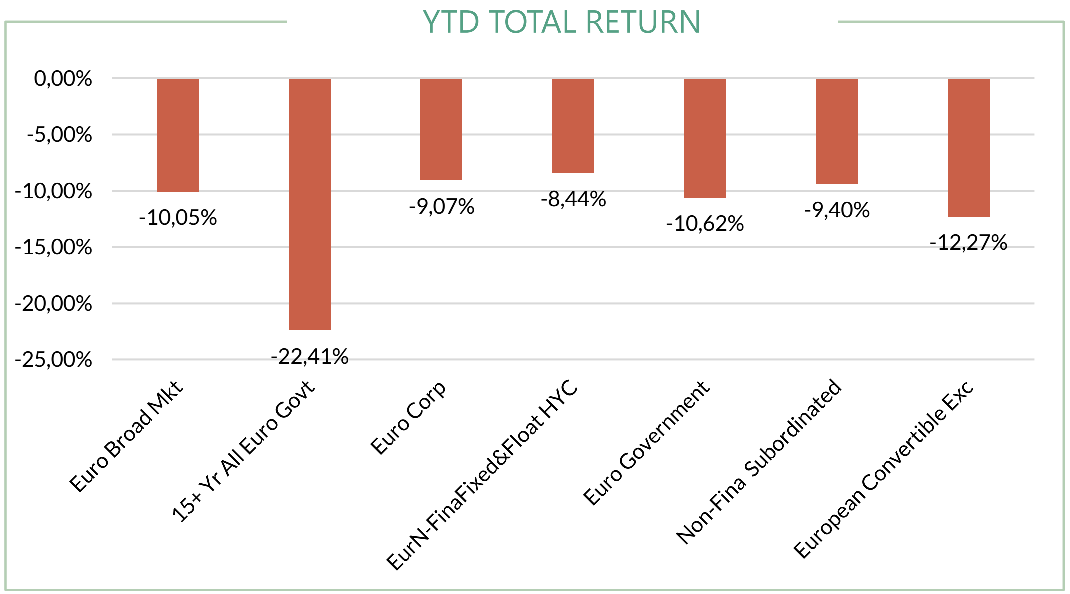


02

FIXED INCOME

Performance fixed income segment
NO PAUSE FOR BREATH



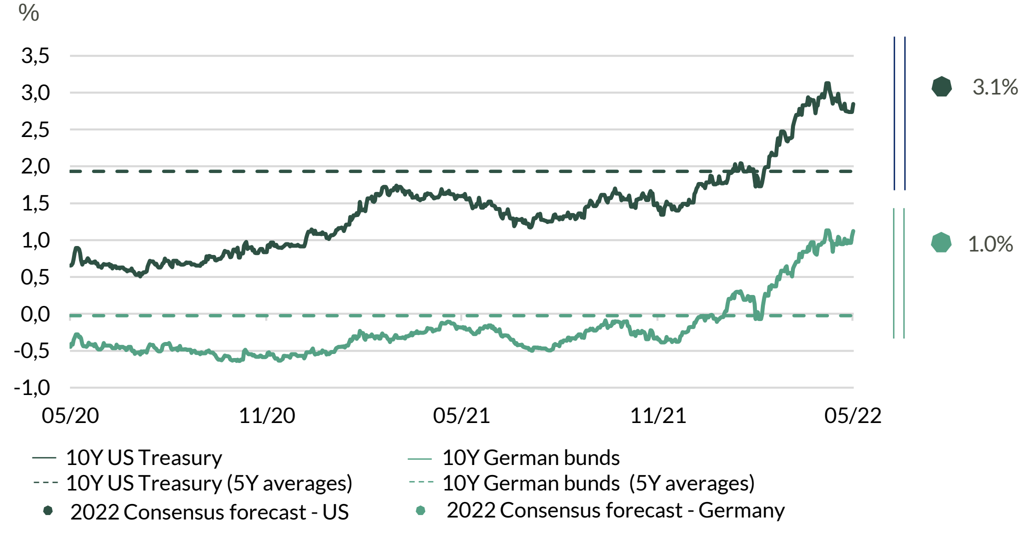


Past performances are not a reliable indicator of future performances and are not constant over time
Source: ODDO BHF AM, Bloomberg, data as of 05/31/2022

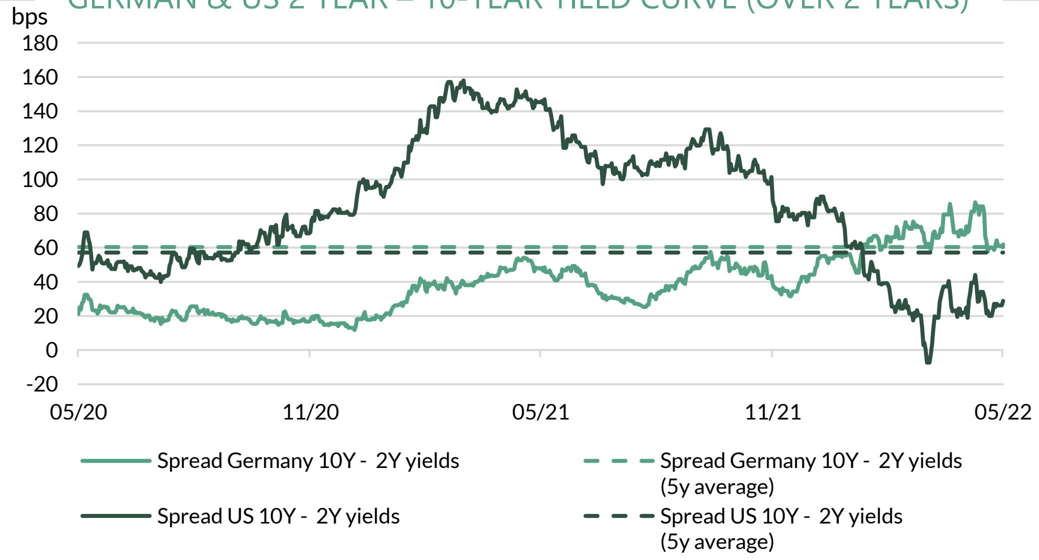
Rates

BACK TO 2014

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



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



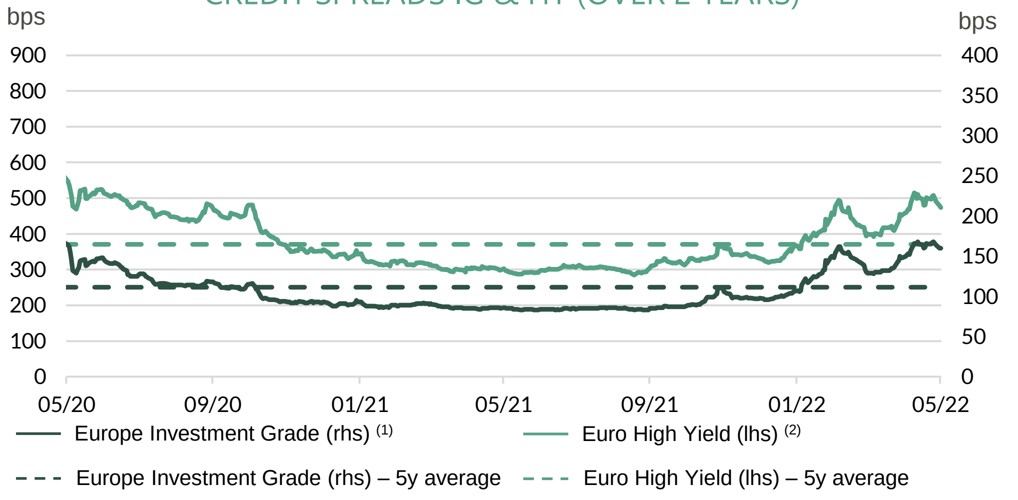
- 10-year Bunds leapt higher again , surpassing 1,3%, the highest yield level since 2014
- While much tightening has been priced into the US curve already, the adjustment process in the Eurozone curve has been playing catch-up a lot recently and appears closer to completion
- Still low real yields and inflation pressure suggests that yields have room to normalize further
- However, given the already sharp move, a deeply oversold market, some weaker economic indicators and progressed rate hike pricing , there might be a stabilization or even rebound in the short term

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 05/31/2022; RHS: Data as of 05/31/2022

Credit Spreads

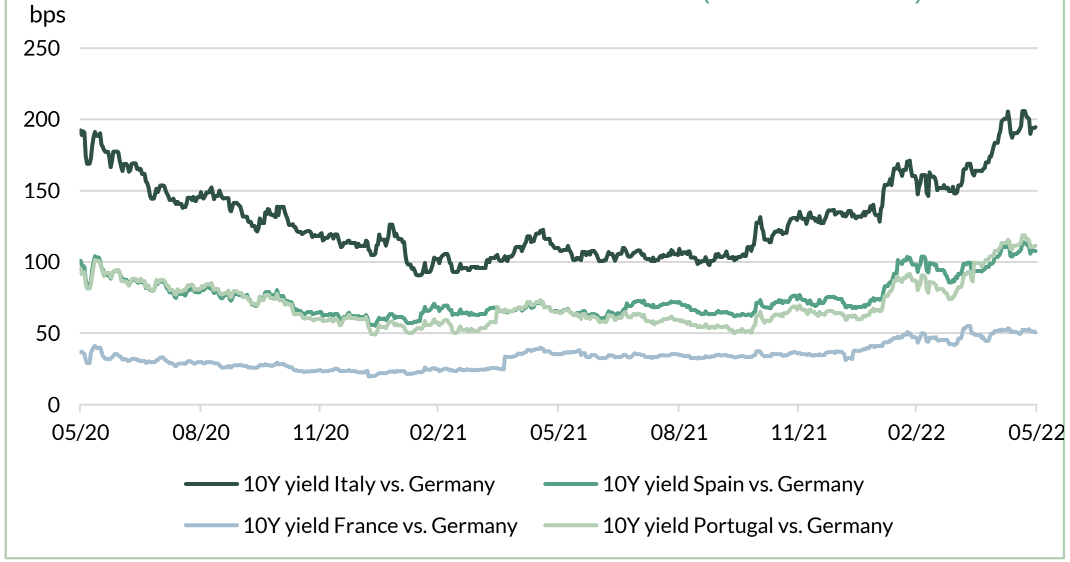
RISK PREMIUMS THAT DO NOT SUFFICIENTLY REWARD RISK

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)



- Corporate spreads stabilized around the 160bp level, despite intensifying supply
- Although, carry is attractive and absolute yield level offer some buffer, poorer growth prospects, diminishing liquidity and the fading ECB support, cloud the near-term attractiveness
- Peripheral bonds and especially Italy have sharply underperformed over the year
- Although the 200bp level for the 10-year Bund-BTP spread might serve as a big hurdle for now, risks are tilted to higher levels over the hiking cycle of the ECB

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 05/31/2022

Sovereign markets

EUROPEAN YIELD CURVE EXPECTED TO FLATTEN, WATCH OUT FOR THE SHORT END

USD OIS FORWARD CURVE / USD SPOT CURVE

USD OIS Curve — Mid — Yield — Conventional
Two Curve Spreads
Select a curve under "Curve List" for two curre... — Bid — Yield — Conventional
Forward Curve Date 05/10/22 — OIS Discounting
Spot — Coupon — Zero

			Forwards						
Tenors	Coupon	5/10/2022	3Mo	6Mo	1Yr	2Yr	3Yr	4Yr	5Yr
1Yr	2.3085	2.3418	2.8601	3.1729	3.2930	2.9711	2.7218	2.6348	2.6494

EUR OIS FORWARD CURVE / BUND SPOT CURVE

EUR OIS ESTR — Mid — Yield — Conventional
Two Curve Spreads
Select a curve under "Curve List" for two curre... — Bid — Yield — Conventional
Forward Curve Date 05/10/22 — OIS Discounting
Spot — Coupon — Zero

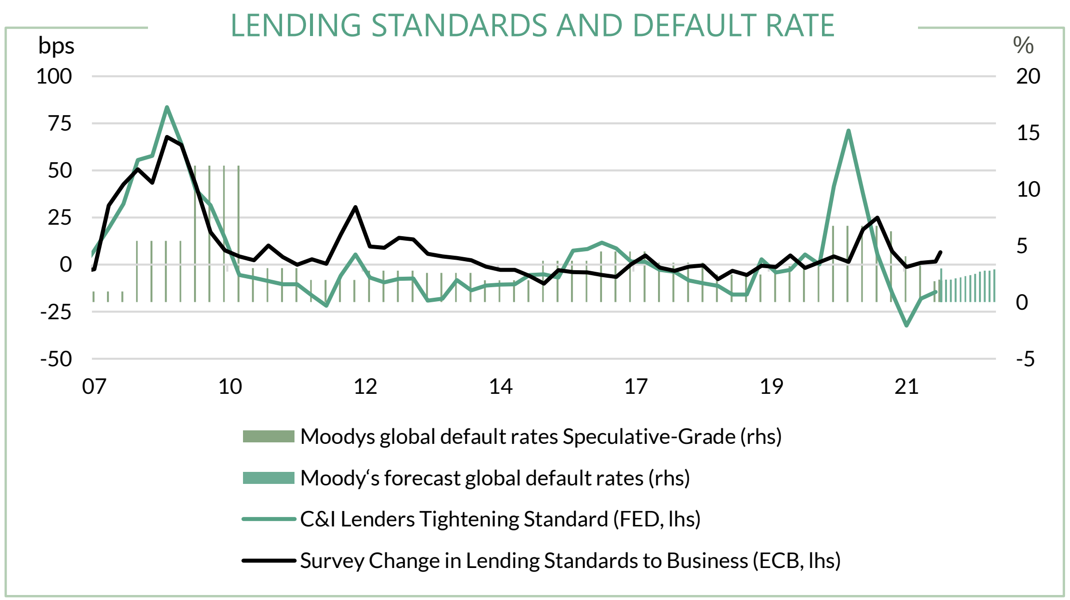
			Forwards						
Tenors	Coupon	5/10/2022	3Mo	6Mo	1Yr	2Yr	3Yr	4Yr	5Yr
1Yr	0.0650	0.0850	0.5287	0.9033	1.3984	1.4565	1.4412	.4528	1.4860

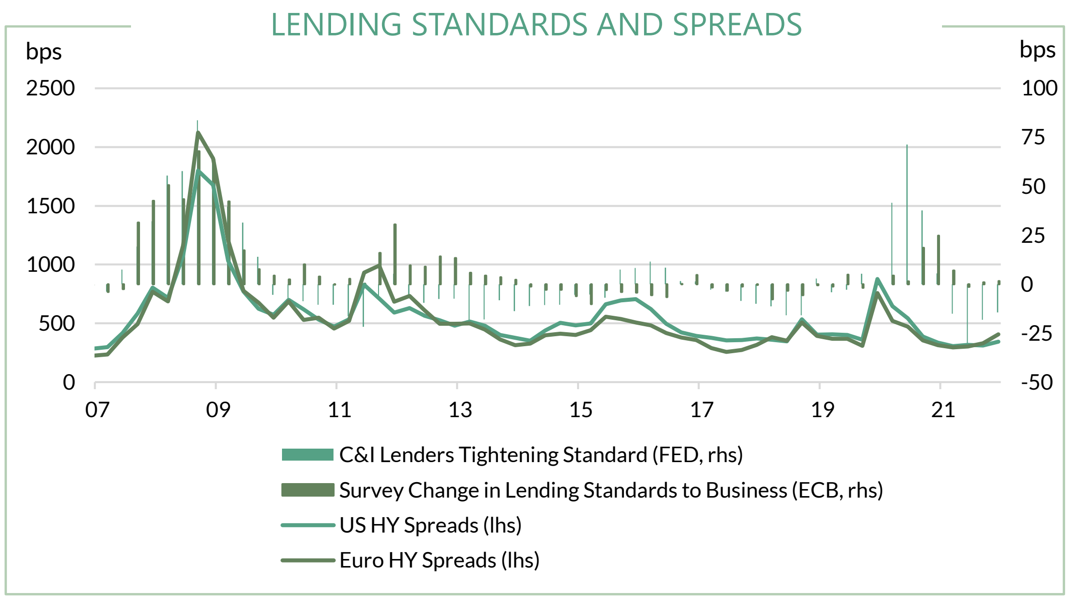
Region	2 Year		3 Year		5 Year		7 Year		10 Year	
Americas										
United Stat...	2.781	-0.2	2.959	-0.8	3.013	-0.8	3.030	-1.0	2.968	-0.4
Germany	0.292	+3.2	0.512	+4.4	0.753	+5.2	0.840	+4.6	1.003	+4.3

Source: ODDO BHF AM, Bloomberg

Financial conditions

NOT SO AMPLE ANY MORE





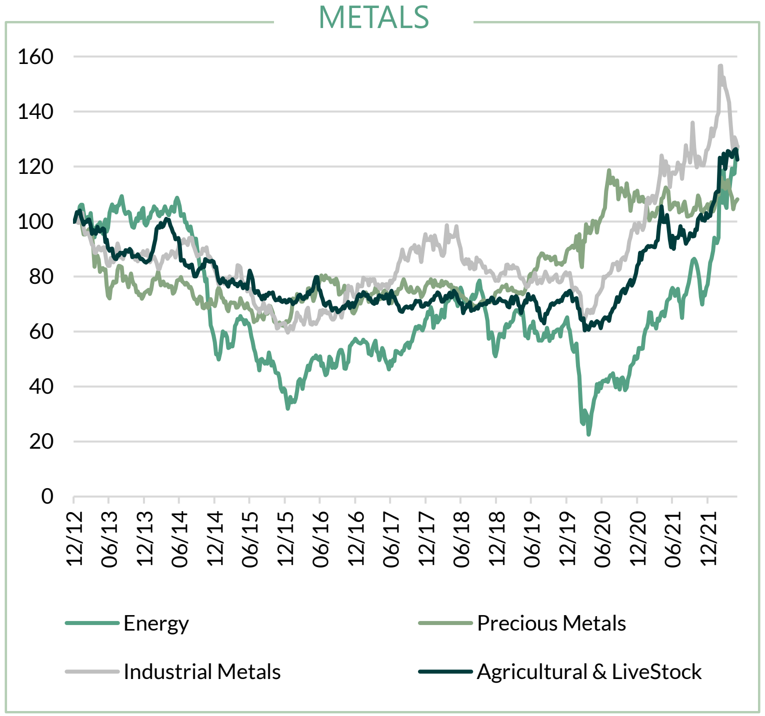
- Conditions in the US are still at multi-decade averages, but the increase has been quite steep
- Eurozone conditions have tightened considerably and are back to 2020 or 2018 levels

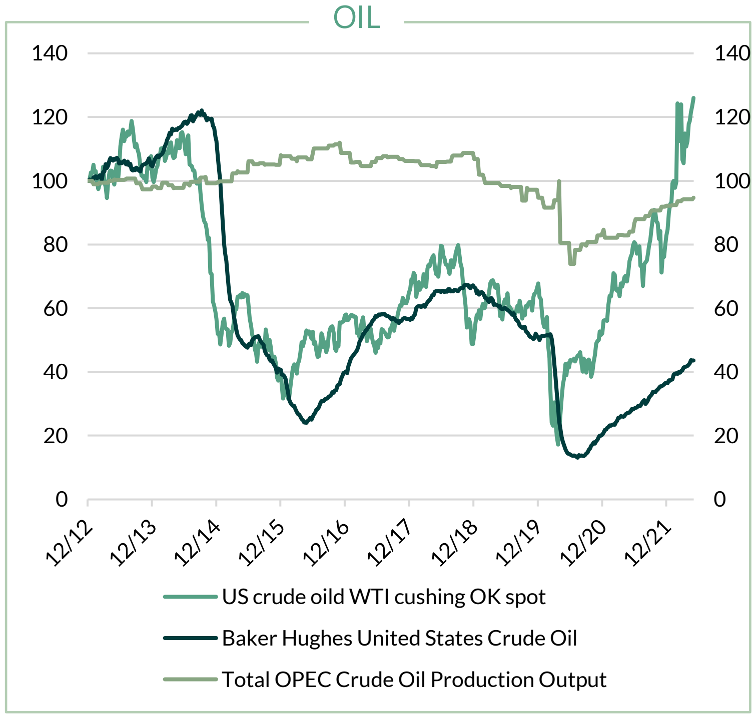
Source: Fed, ECB, Bloomberg | Moody's as of 04/30/2022, Lending Standard & Survey Change as of 05/31/2022, Spreads as of 05/31/2022

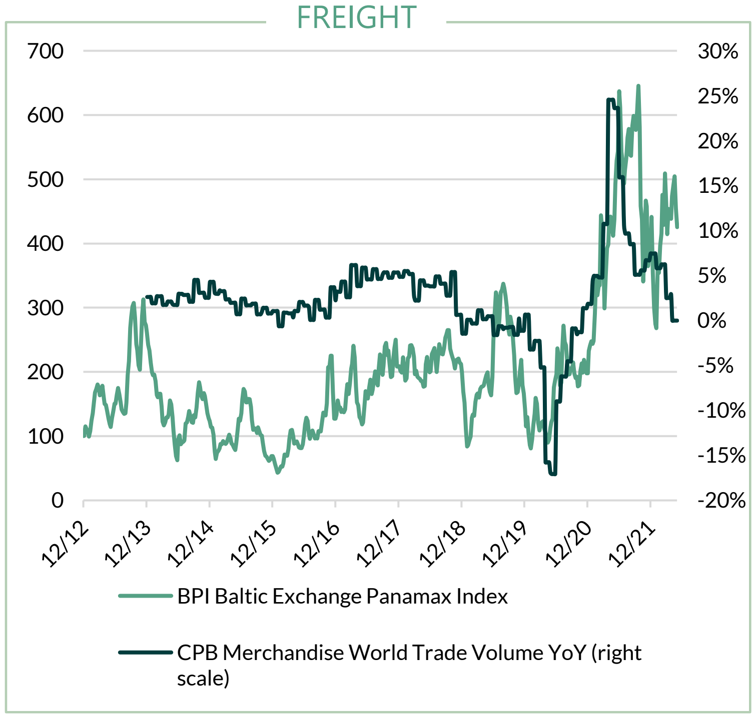
COMMODITIES & CURRENCIES

Commodities

SOME PROFIT TAKING ON METALS







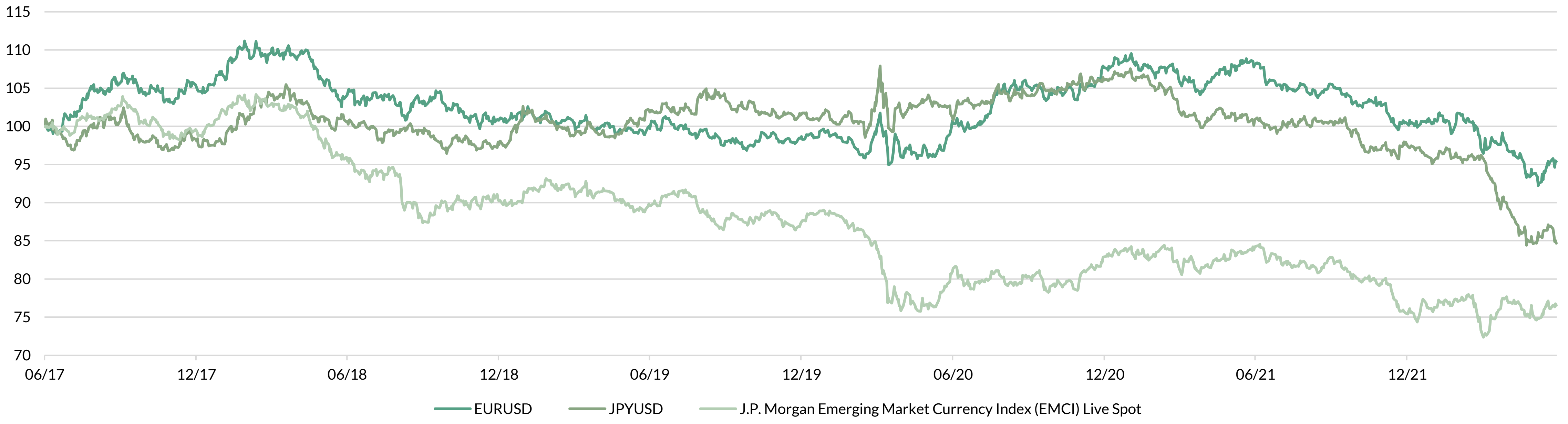
- With fear mounting on future growth rate, most industrial metals felt sharply during the first half of May.
- With new sanctions centered on Russian energy exports, oil prices reached new highs.

Past performances are not a reliable indicator of future performance and are not constant over time.
Sources: Bloomberg, ODDO BHF AM SAS | Data at 05/31/2022

Currencies

YEN KEEPS FUNDING THE CARRY TRADE

CURRENCIES - CHANGE OVER 5 YEARS



- Most developed currencies, apart from JPY, slightly rebounded against USD.
- Asian currencies on average posted small losses, while Mexican peso and Brazilian real significantly overperformed.

Past performances are not a reliable indicator of future performance and are not constant over time.
Sources: Bloomberg, ODDO BHF AM SAS | Data at 05/31/2022

03

CURRENT CONVICTIONS

What factors could lead us to reposition ourselves TO THE UPSIDE?

1	The Ukraine / Russia war	?
2	Reaching the inflation peak	~
3	China's economic recovery	~
4	Stabilisation of earnings per share	-

Asset class / sectors	Positioning
European equities	Reweighting if improvements on points 1 and 4
Chinese equities	Re-weighting now
High Yield Bonds	Reweighting upon entry into recession
Global technology	Re-weight ++
Ecology	Maintain +++
Future of food	Maintain +++

Source: ODDO BHF AM

Scenarios
OUR 6-MONTH VIEW

01 Central scenario

Global GDP negatively impacted by the escalation of the Russian/Ukrainian situation, mainly through the resulting energy crisis, sanctions and their impact on sentiment as well as supply chain disruptions. Corporate margins suffer from broadening and acceleration of inflation.

EUROPE

- Growth slowing vs 2021 and recession risk increasing due to geopolitical tensions. To some extent, this is offset by the improving Covid-19 situation and less health restrictions
- Inflation stays highly elevated, driven by higher energy prices, intensifying second-round effects and supply-chain disruptions
- Increasing pressure on ECB to reduce monetary support, despite elevated macroeconomic uncertainty

US

- With inflation acceleration, wage pressure and overheating of the economy, management of the monetary policy will be in the focus
- Corporate fundamentals remain strong for the moment, but are increasingly impacted by higher commodity prices and margin pressure
- Still elevated equity valuations pose risks to the market

STRATEGY

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

OVERWEIGHT

- Short Duration IG
- Cash

UNDERWEIGHT

- Equities
- High Yield Credit

55%

02 Alternative scenario #1

Massive negative impact from Russian/ Ukrainian conflict resulting in a recession

- Surging commodity prices and their second-round effects, disrupted supply chains and loss of business confidence due to geopolitical tensions
- Central banks' actions slowed due to growth fears, but dilemma situation given overshooting inflation
- Increased market volatility and pressure on valuations

OVERWEIGHT

- Sovereigns
- Alternative strategies
- Cash

UNDERWEIGHT

- Equities
- Credit

30%

03 Alternative scenario #2

Upside scenario

- Easing geopolitical tensions result in improvement of the sentiment and decreasing commodity prices
- Consumption remains strong due to wage increases, lower savings and less health restrictions, positive for corporate margins
- China: Additional stimulus, change in Covid-strategy and less supply chain disruptions add to global growth
- Inflation remains high, but under control and central bank actions are perceived well

OVERWEIGHT

- Equities, incl. Emerging Markets
- High Yield

UNDERWEIGHT

- Sovereigns

15%

Source: ODDO BHF AM, as of 06/02/2022

Our current convictions
FOR EACH ASSET CLASS

Change from the previous month

Equities	Large cap Eurozone	-1
	Mid cap Eurozone	-1
	Small cap Eurozone	-2
	UK	-1
	USA	-1
	Emerging markets	0
	Japan	0
Convertible bonds	Europe	0
	USA	0
Currencies	USD/€	0
	YEN/€	1
	GBP/€	0
	CHF / €	1
Commodities	Gold	0
	Crude oil	0

Source: ODDO BHF AM, as of 06/02/2022

Our current convictions FOR EACH ASSET CLASS

Change from the previous month

Asset class	Segment	Conviction
Government bonds	Core Europe	-1
Government bonds	Peripheral Europe	-2
Government bonds	USA	-1
Corporate bonds	Investment grade Europe	0
Corporate bonds	Credit short duration	0
Corporate bonds	High yield Europe	-2
Corporate bonds	High Yield USA	-2
Corporate bonds	Emerging markets	0
Money Market	Developed markets	2
Alternative assets	Private equity	0
Alternative assets	Private debt	1
Alternative assets	Real estate	-1
Alternative assets	Hedge fund	1

Source: ODDO BHF AM, as of 06/02/2022

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

Jan. 22 • Make 2022 an opportunity
Sept.21 • "Breathless?"

MONTHLY INVESTMENT BRIEF

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
Dec. 21 • Long term "transitory "inflation
Nov. 21 • All you need is prising power
Oct.21 • Navigating a market in transition

MARKET VIEWS

23.08.21 • Bretton Woods, 50 years on
05.07.21 • China: stop or again
21.06.21 • Bitcoin: tech innovation or pure hype
17.05.21 • When the chips are down

VIDEOS

#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

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

Source: ODDO BHF AM

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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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