ODDO BHF
ASSET MANAGEMENT

MONTHLY *investment* BRIEF

Ukraine war : which impacts ?

We are living through some trying times. The scenes of war that we are witnessing at the gates of Europe are disturbing indeed, and we have never been closer to the brink of nuclear war. That being said, panicking is never a solution and, moreover, is often a poor advisor.

We'll come right out and say it: if a nuclear-tipped missile is heading your way, the size and composition of your portfolio does not matter a bit... Hence, from a purely financial point of view, you should ignore existential risk, even if you are very concerned on a personal level. You must remove this ultimate risk from consideration but without passing over the many extreme risks that have already been commented on in full.

1. A look back at changes made in the portfolios

Since 14 February, before the war broke out, we had moved to a conservative posture and decided to underweight equities. We emphasise that our funds were not and are not directly exposed to Russian or Ukrainian assets (equities, bonds)

In our equity portfolios, we dialed back risk by raising our store of cash but without asking fund managers to alter their investment philosophy. We also sold the least liquid stocks in order to avoid any liquidity trap, particularly in small and micro caps, in the event that the situation takes a turn for the worse.

In our fixed income portfolios, we mainly worked on duration. We therefore stuck to our short positions but while adding investment grade issuers on short-dated paper in order to limit the impact of a possible decline in yields resulting from risk-aversion.

In our diversified portfolios, we took two sets of measures. First, we lowered our risk exposure by reducing our equity exposure or by selling high-beta corporate bonds (hybrid corporates, subordinated debt, CoCos, etc.). Then we tried to secure some means of diversification – gold in mandates allowing it, safe-haven currencies (JPY, CHF and USD) or hedging options, while reducing our overall exposure to Europe vs. the rest of the world.

While some investors felt that valuations were attractive enough to bet on a rally, we opted for caution and reduced our exposures rapidly. As a result, we managed to get through the recent period without any major collateral damage.

What about our strategies today? We can't be satisfied with certain strategies that have underperformed, including fundamental equities and quantitative equities. Even so, our returns have improved recently, thanks to our conservative stance. On the bond side, performances have improved drastically, and our high yield funds are back in the top quartile in both one-year and year-to-date performance. Thematic funds have also held up well, which shows how robust our artificial intelligence-based investment process is.

2. Geographies and sectors best able to withstand this environment

Geographies: Since the war broke out, the relative performance of European assets has hinged on rising oil and natural gas prices, which are making stagflation more likely in Europe. Higher energy prices are, and will remain, a factor in the underperformance of European equities, a depreciation of the EUR vs. the USD, and a decline in German real yields vs. the US. Regardless of the scenario, it is hard to see how energy prices could decline significantly. The portfolios' equity exposure must be diversified even more than usual beyond the euro zone alone. That doesn't necessarily mean that we are raising our US weighting, given how high valuations still are in the current environment. At 19 times 12-month forward earnings, US equities are indeed far from being discounted…

In emerging markets, we are raising our weighting of China. The 5.5% growth that it is targeting has served very clear notice of the authorities' determination to achieve economic stability this year. To do so, they are putting in an aggressive fiscal stimulus amounting to about 3% of GDP. Meanwhile, they have set aside the annual energy-intensity reduction objective this year to give priority to energy security. Last but not least, we are seeing initial signs that China may give up its "zero-Covid" policy. Against this backdrop, we are overweighting Chinese domestic stocks (A-shares), which are better shielded from a possible regulatory crackdown and are better placed to benefit from infrastructure stimulus plans. We are also raising our weighting of the Chinese tech sector, which has underperformed its US peer by 45% over the past year.

Source: ODDO BHF AM, comments as of 09/03/2022

Sectors: After a robust start to the year, banks took a direct hit from the Ukrainian crisis and gave up their entire 20% YTD outperformance. What is now the best course of action?

Well, let's take a look back at what happened after the 1973 oil shock. Banks had plunged by 44% between 19 October 1973 and December 1974 and did not return to their pre-shock levels until 15 months later. Higher cost of capital could have a significant impact on income distribution (dividend yields are currently forecast at 7.5%) and limit banks' potential. But a possible "Defense and Energy" stimulus plan, funded by a

EU bond issue, should help limit the slowdown in Europe. With this in mind, the recent collapse in valuations to 49% of book value will soon clear the way for long-term strategic repositioning. That being said, the banks weighting must remain low and in accordance with sector volatility, or less than 5% of a portfolio.

We also prefer a return to healthcare, which offers good visibility on future cashflows, low debt, and reasonable valuations.

3. Major channels of our asset allocation

We see no positive reason to change our positioning. It is too early to seize any opportunities, and we are holding onto our cash and are sticking to a defensive stance for the moment. That being said, in our benchmarked portfolios we are narrowing our tracking-error vs. benchmarks for the purpose of taking some profits and managing risk. We continue to underweight equities, small caps in particular. As for high yield bonds, it is still too early to reinvest, even though spreads have widened strongly.

We don't know how the situation will develop, but rest assured that our teams are fully committed to managing your investments. We must remain serene and flexible and adapt our strategies to changes in the environment. It is very likely that the worst has yet to come for the Ukrainians, but allow me a heartfelt wish that the worst is never certain to happen.

Yes, we are managing the short term, but let's also try to gauge the long-term consequences of such a conflict. Greater energy independence, less globalisation, a new inflation regime and other developments would mean substantial changes in regions, sectors and individual companies, with both winners and losers. We are already working on this and will let you know what our findings are.

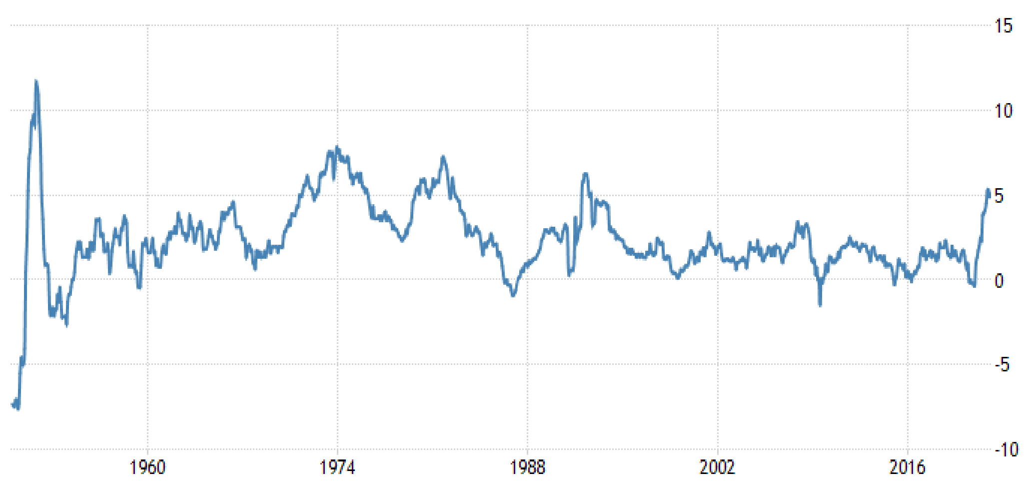
Allow me to close with a message of hope and peace.

LAURENT DENIZE
Global CIO,
ODDO BHF AM

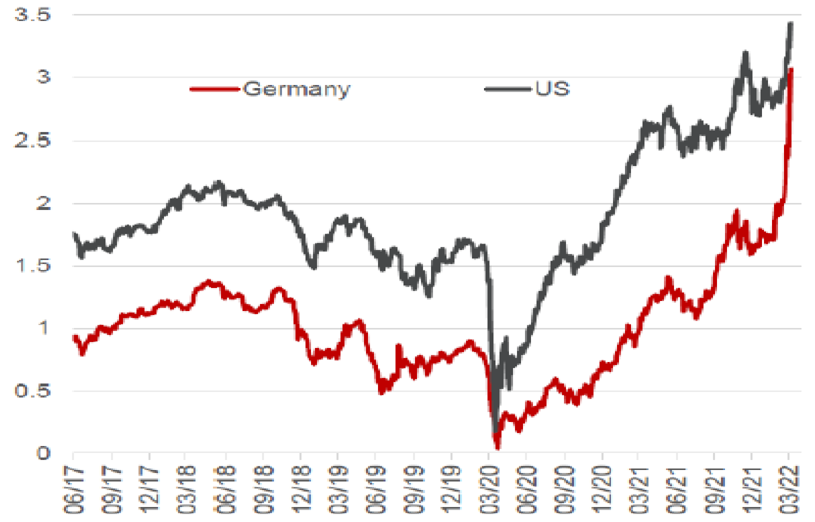
Source: ODDO BHF AM, comments as of 09/03/2022

History does not repeat but rhyme
INFLATION SURGE TO 1970 LEVELS

LONG TERM INFLATION GERMANY



5-YEAR INFLATION BREAKEVEN



Sources: ODDO BHF AM SAS, Bloomberg | Data as of 03/2022; Federal statistical office, tradingeconomics

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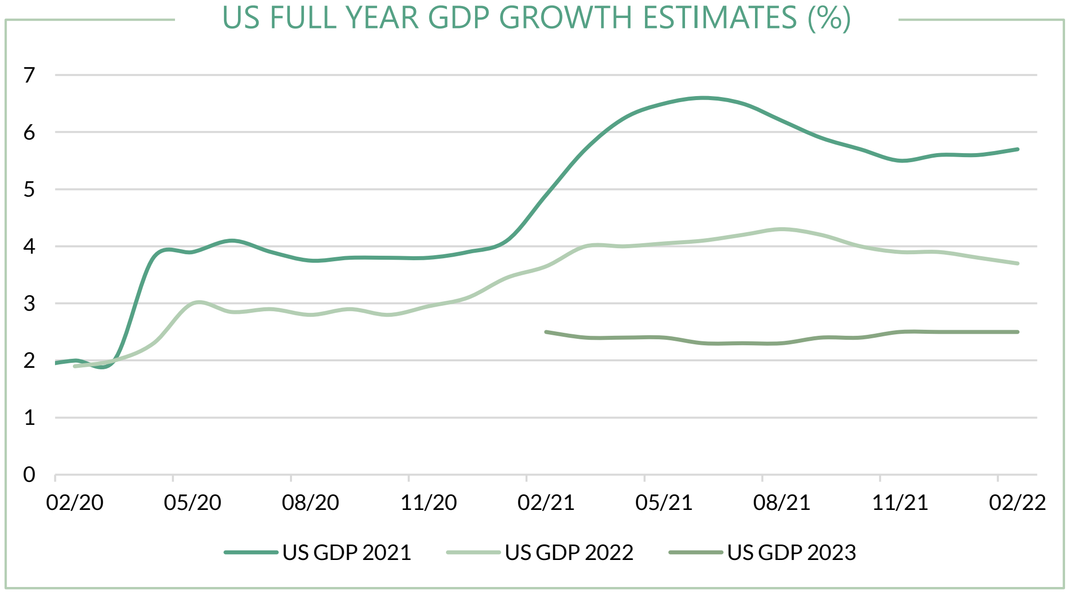
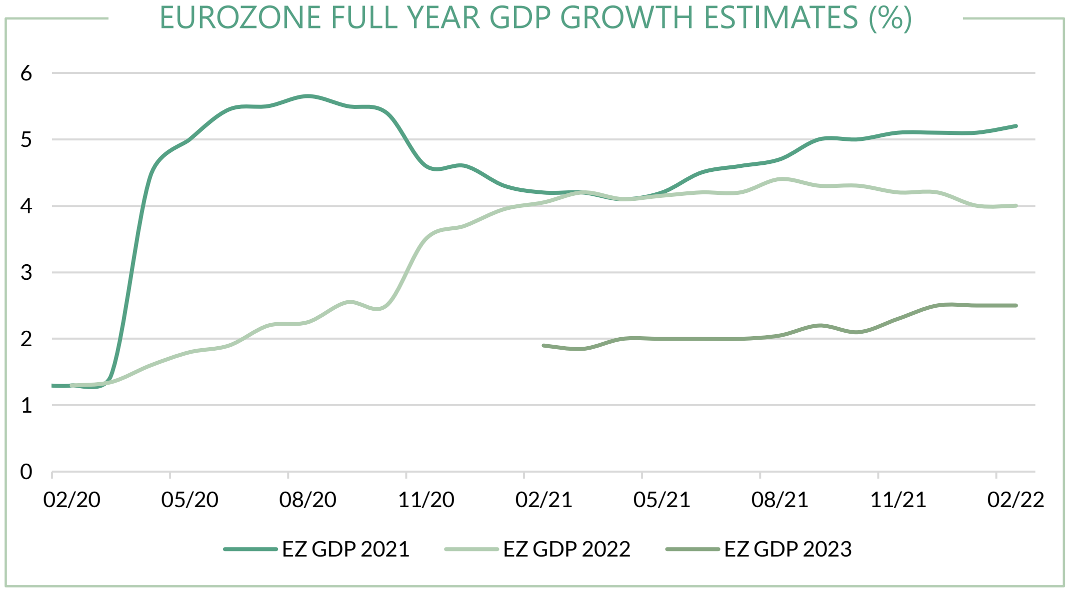
01

MACROECONOMIC *outlook*

Growth outlook

FORECAST REVISIONS HAVE JUST BEGUN



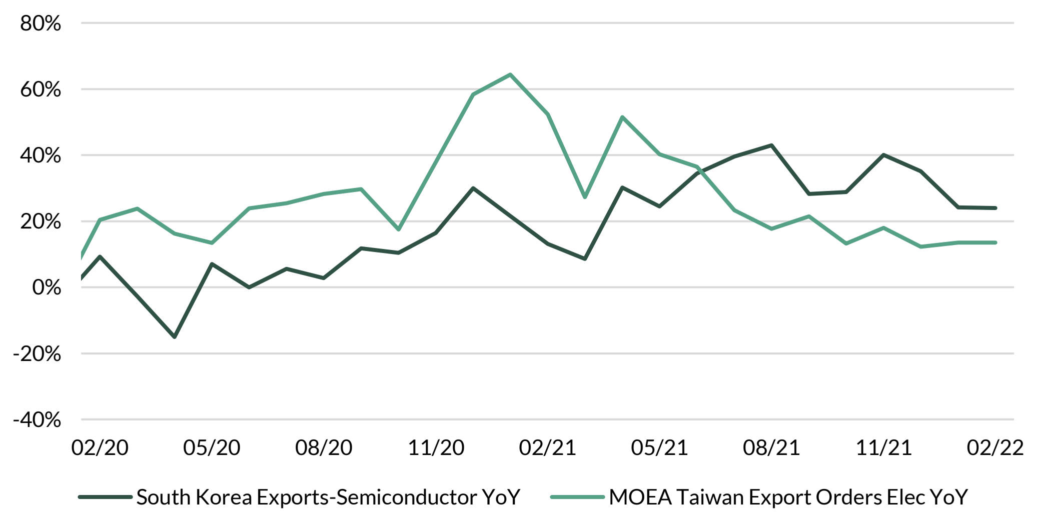


- Supply shock not yet reflected in consensus expectations

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 02/28/2022

Global trade
ANOTHER SUPPLY SHOCK

EXPORTS VOLUMES



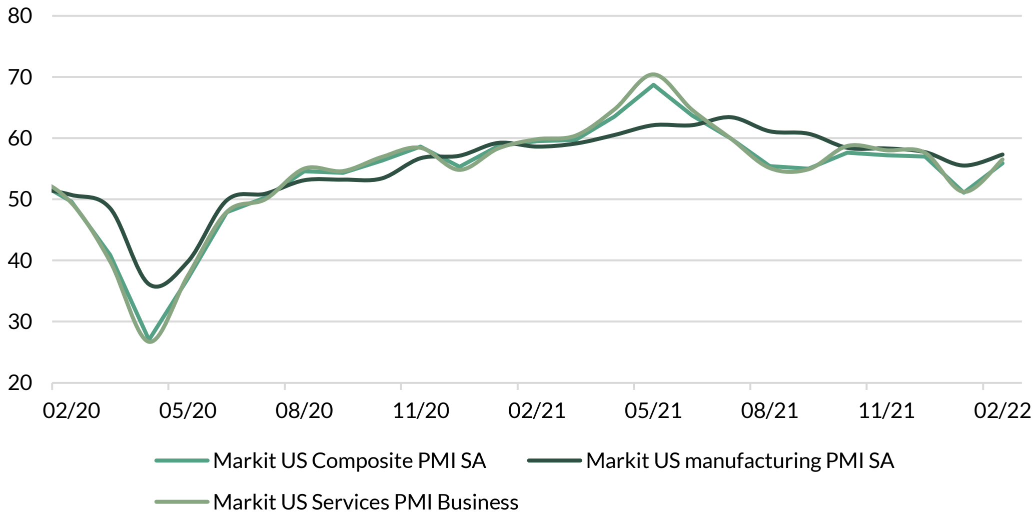
EXPORTS GERMANY

- Ukrainian invasion adds to already existing bottlenecks

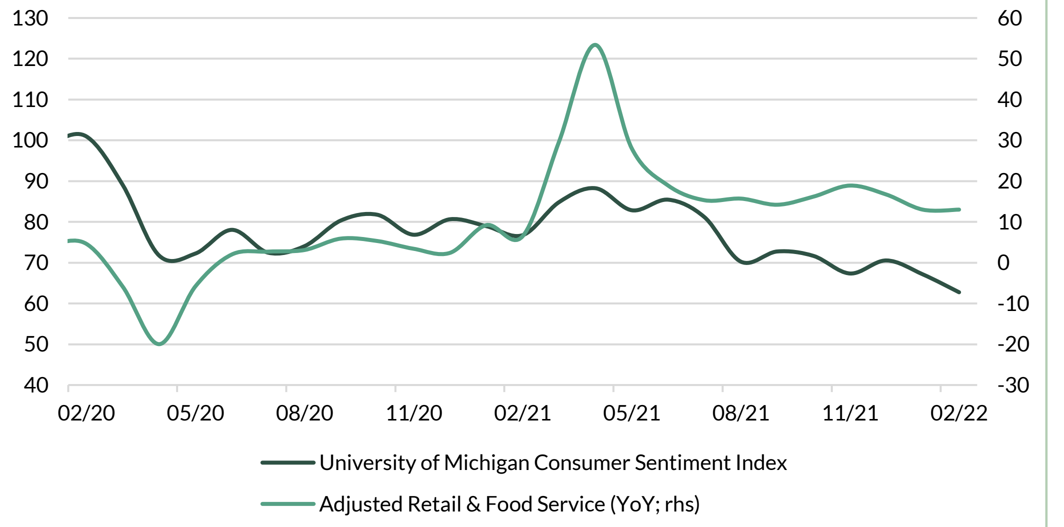
Sources: ODDO BHF AM SAS, Bloomberg | Data as of 02/28/2022

USA
BETTER SHIELDED AGAINST ENERGY PRICE SPIKES

PMI SERVICES & MANUFACTURER



US RETAIL SALES & CONSUMER CONFIDENCE

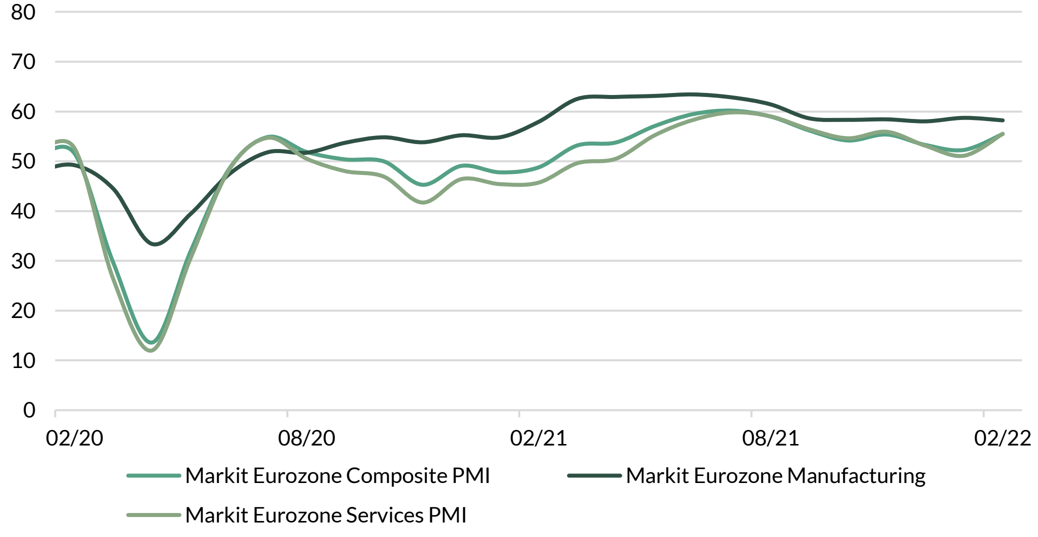


- Russia-Ukraine war adds uncertainty, but US is not in the epicenter
- After a strong Q4 GDP print Q1 2022 looks relatively muted despite strong retail sales
- Atlanta Fed NOWCAST at 0% growth for Q1 GDP
- February employment report showed strong job growth (678,000) and a decline towards record low unemployment rates

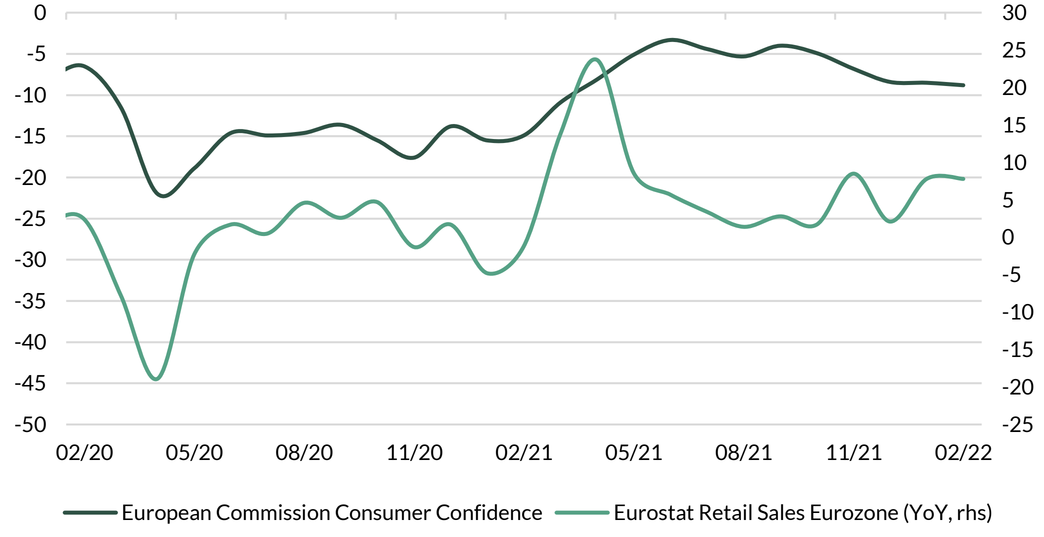
Sources: ODDO BHF AM SAS, Bloomberg | Data as of 02/28/2022

Europe
THE STAGFLATION SCRIPT UNFOLDS

PMI SERVICES & MANUFACTURER



EURO AREA RETAIL SALES & CONSUMER CONFIDENCE

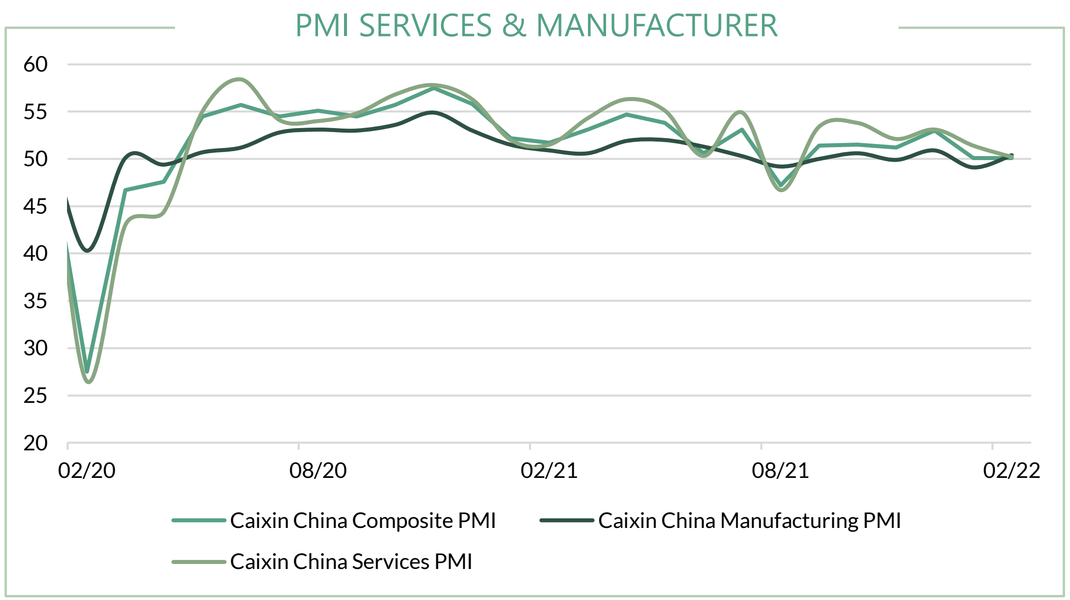


- Omicron relief induced growth acceleration pushed out further
- Significant drag on growth via sentiment channel, production disruptions and energy price spike
- Stagflation has arrived while recession risks have increased somewhat, but are still a tail risk
- Healthy consumer balances may serve as a buffer

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 02/28/2022

China

NPC GROWTH PROJECTIONS TOO AMBITIOUS

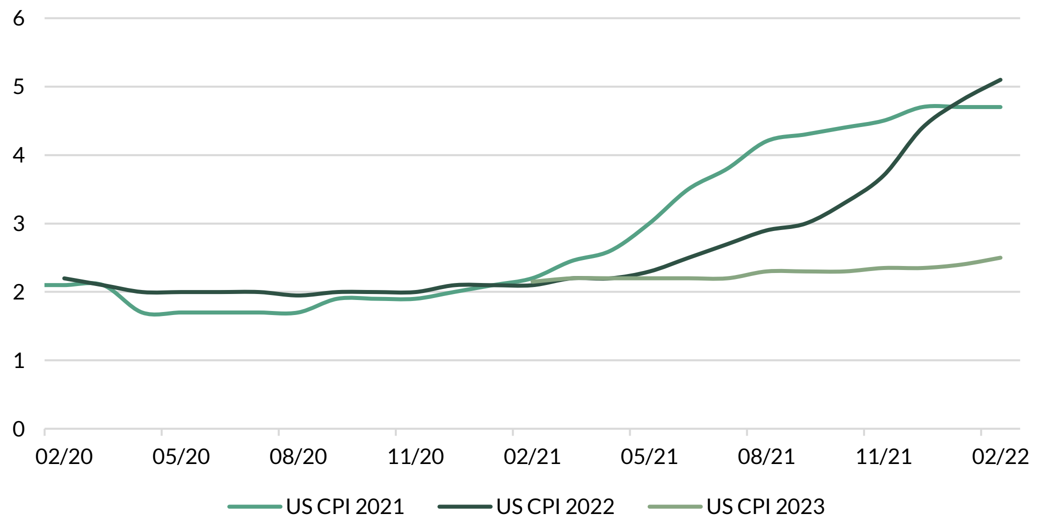


- 2022 growth target of 5,5% may still be too high
- Fall-out from bursting property bubble and global growth slowdown add to downside risk
- Stabilization in PMI welcome but not sustained
- Policy will become more expansionary

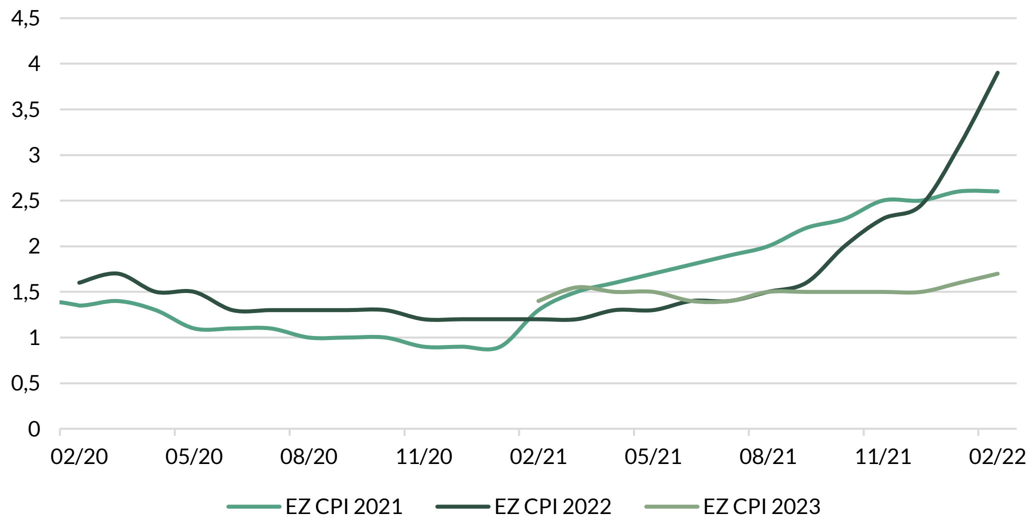
Sources: ODDO BHF AM SAS, Bloomberg | Data as of 02/28/2022

Inflation expectations
STRONG UPWARD REVISIONS

US FULL YEAR CPI GROWTH ESTIMATES (%)



EUROZONE FULL YEAR CPI GROWTH ESTIMATES (%)

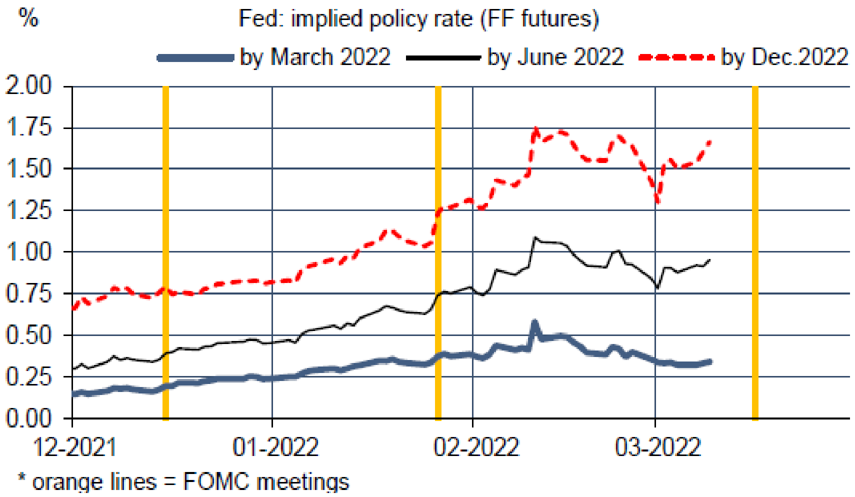


- Inflation expectations are surging with spiking energy prices
- Depending on further sanctions and evolution of oil and gas prices headline inflation could hit more than 7% in the Eurozone
- At some point real incomes are hit hard
- Probability of wage price spiral even in the Eurozone has increased

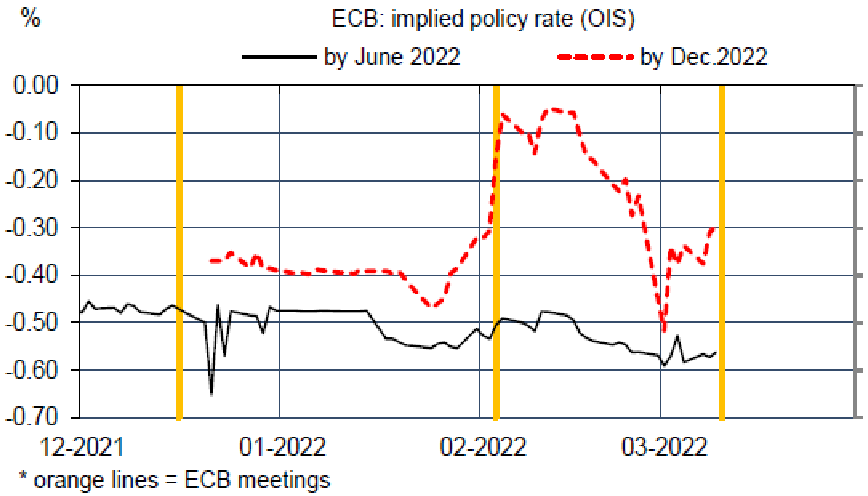
Sources: ODDO BHF AM SAS, Bloomberg | Data as of 02/28/2022

FED & BCE policies
A BALANCING ACT

FED IMPLICITE POLICY RATES



ECB: IMPLICITE POLICY RATES

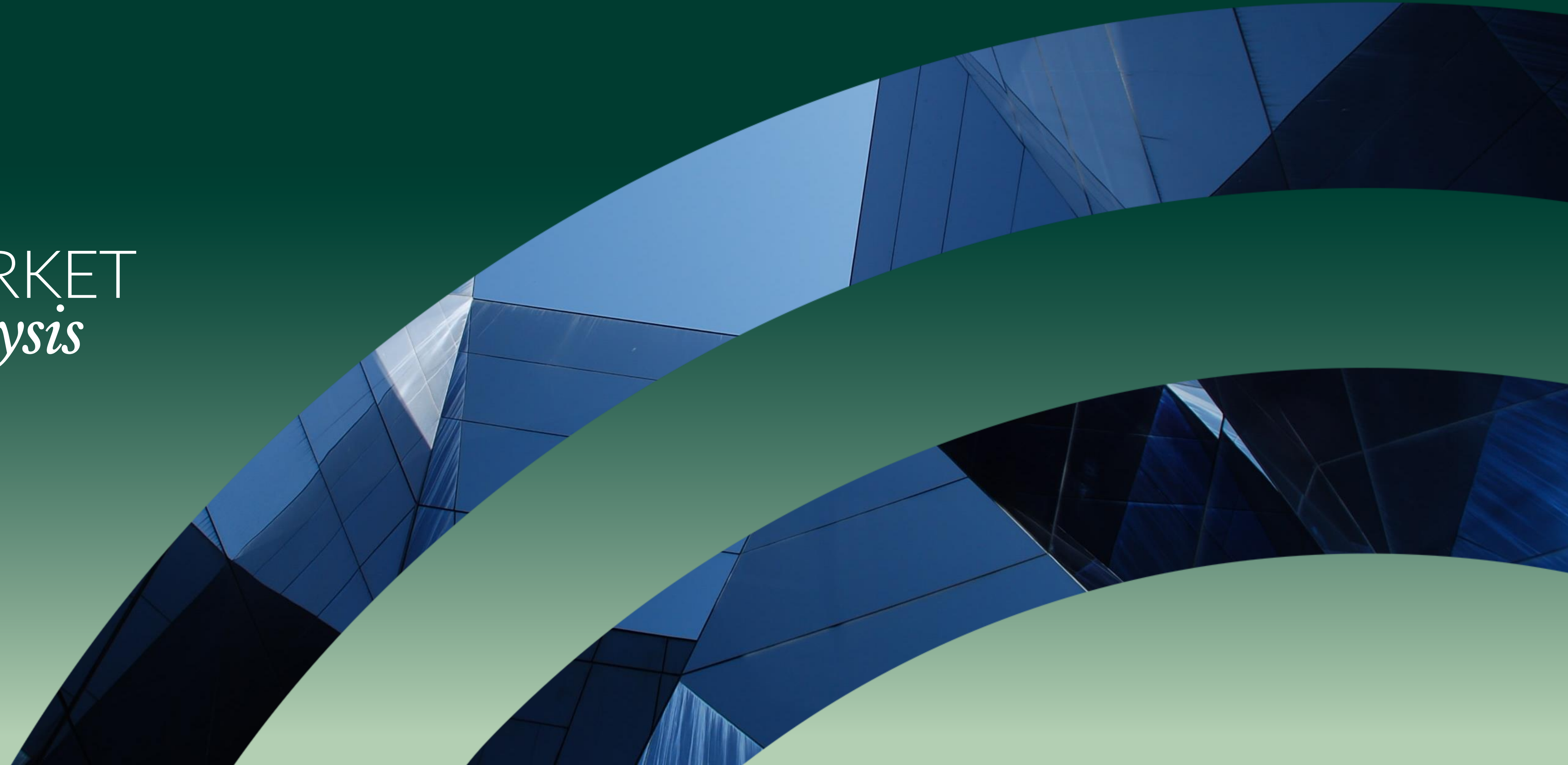


- Central banks are completely behind inflation curves and will have to navigate a balancing act between an unprecedented price level surge and a coming hit to growth
- Fed is in a better position and will act to script with a 25bp hike rollout in March
- ECB may step-back a bit from its hawkish pivot and display two-way optionality
- Previous two ECB hikes until year-end have been completely priced out in money markets

Sources: ODDO BHF AM SAS, Bloomberg, ODDO BHF Securities, Thomson Reuters, BCE | Data as of 03/08/2022

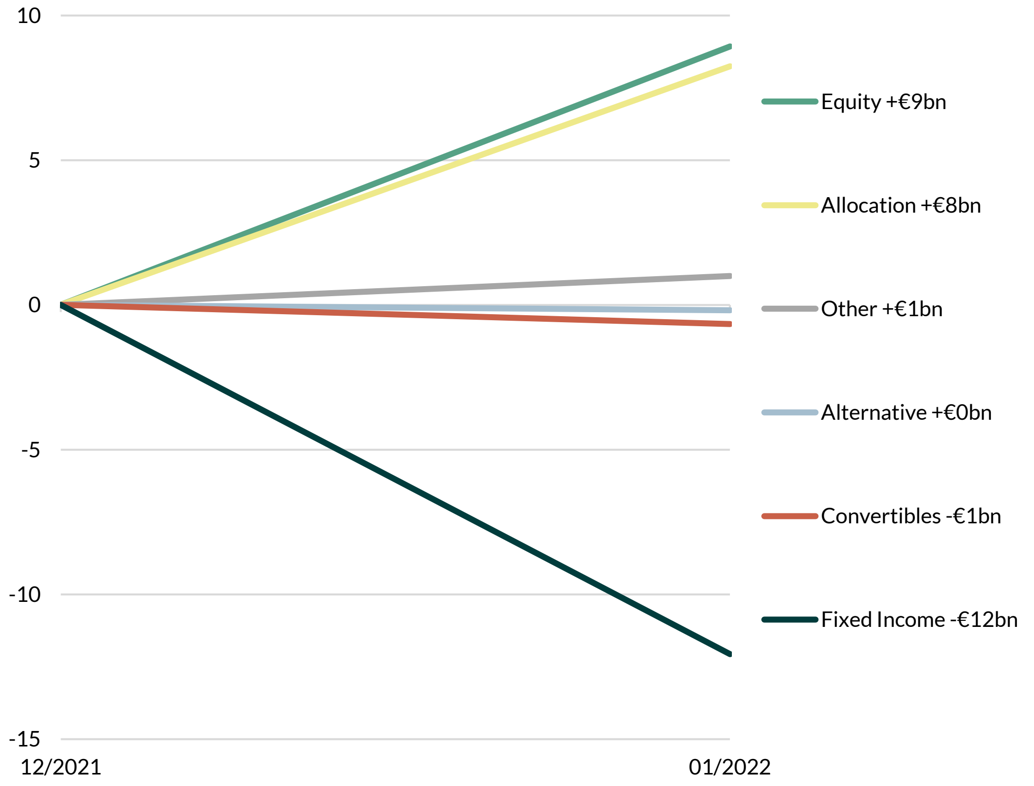
02

MARKET *analysis*

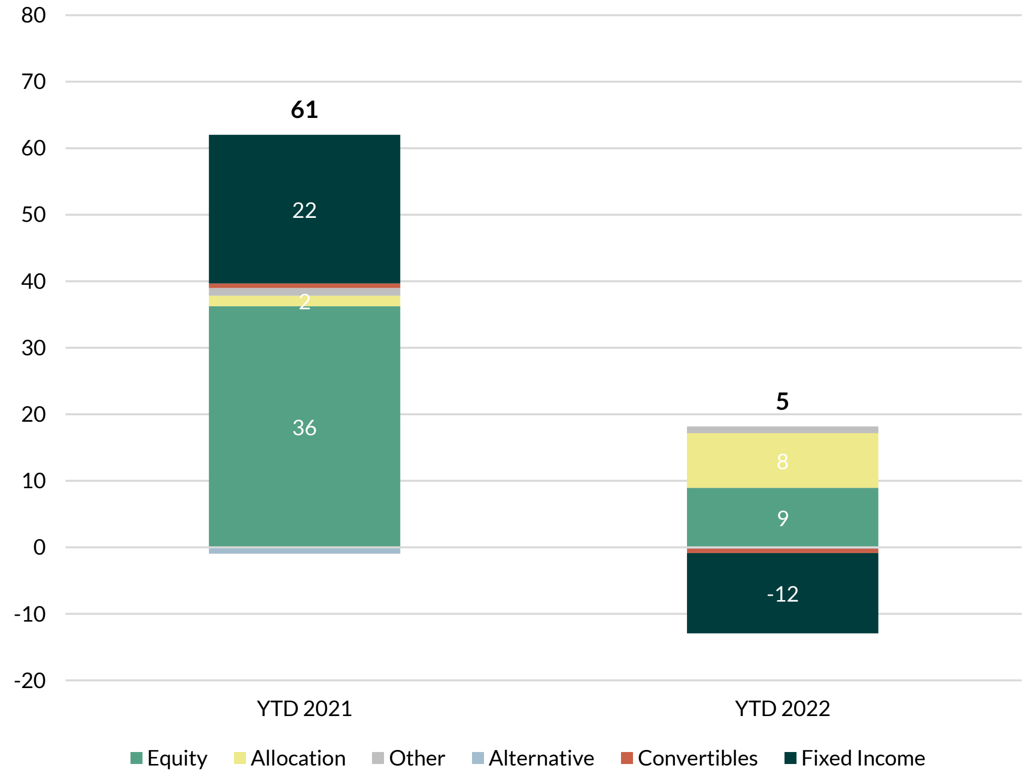


YTD European mutual fund flows
IN SLOW MOTION

YTD CUMULATIVE FLOWS BY ASSET CLASSES (€BN)

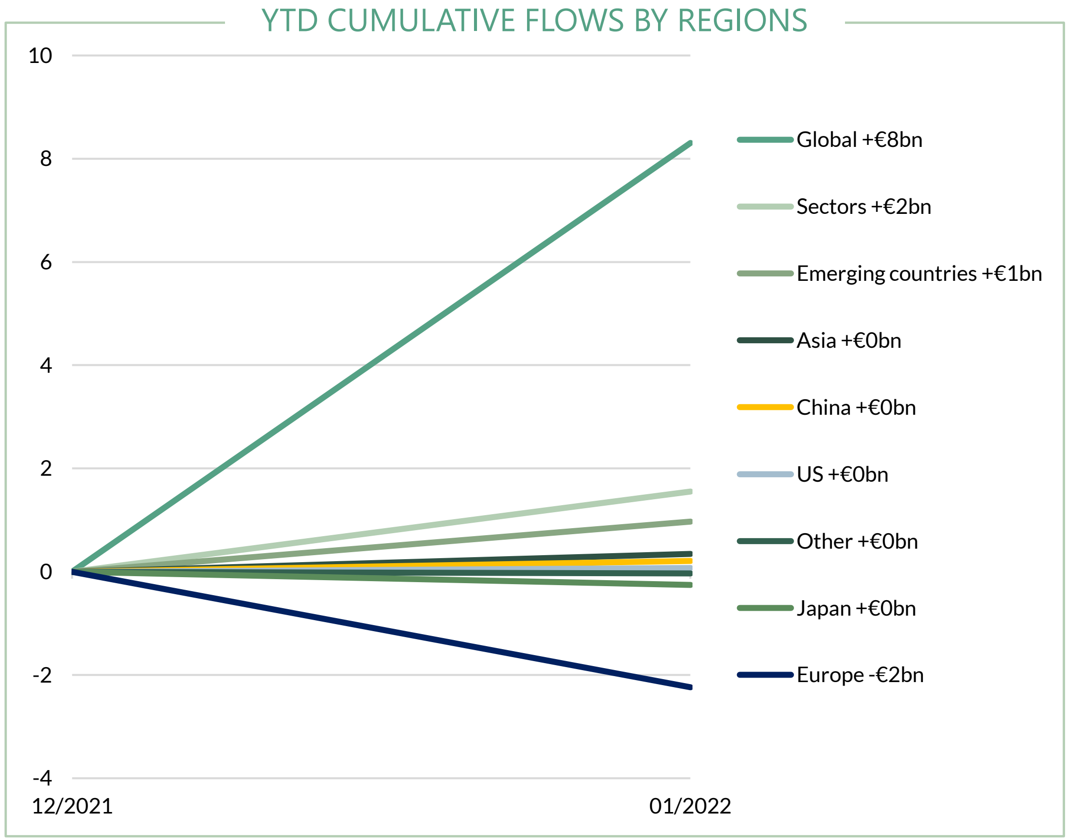


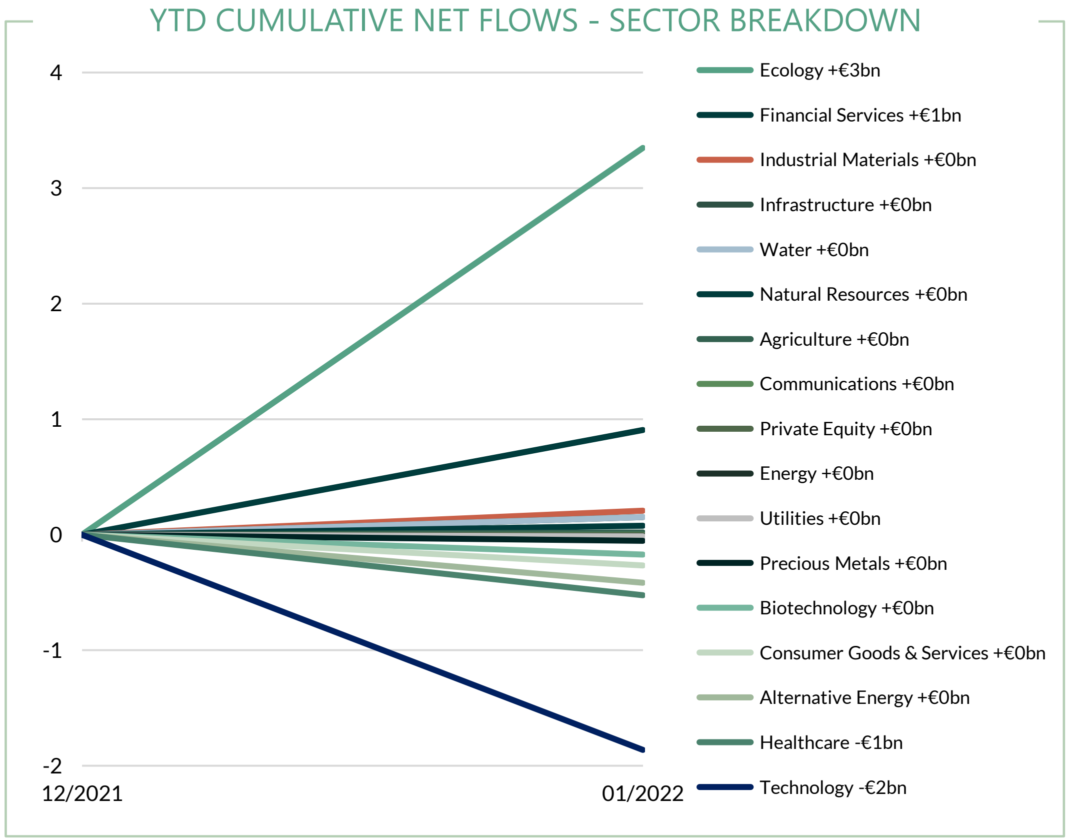
YTD COMPARISON VS YTD -1



Source : Morningstar. Data as of 31.01.2022 (Europe OE ex ETF ex MM ex FoF ex Feeder (domiciled, most compr.)

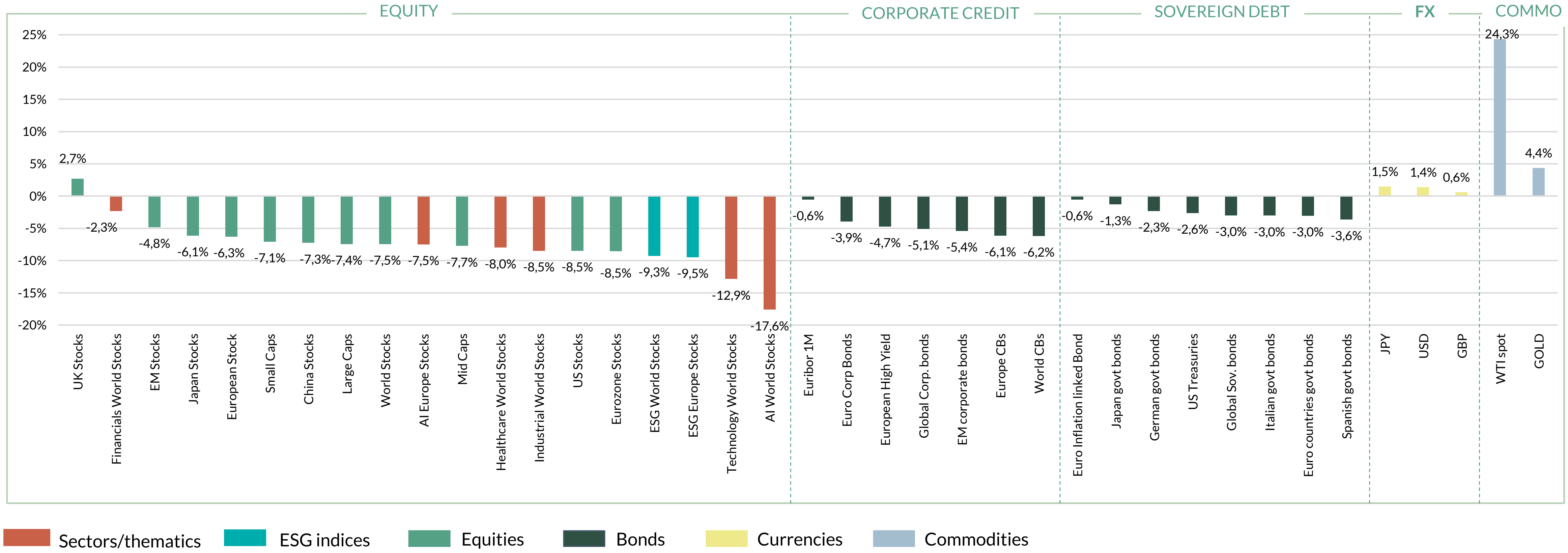
European mutual fund flows – YTD equity flows
TREND REVERSAL EXCEPT FOR ECOLOGY



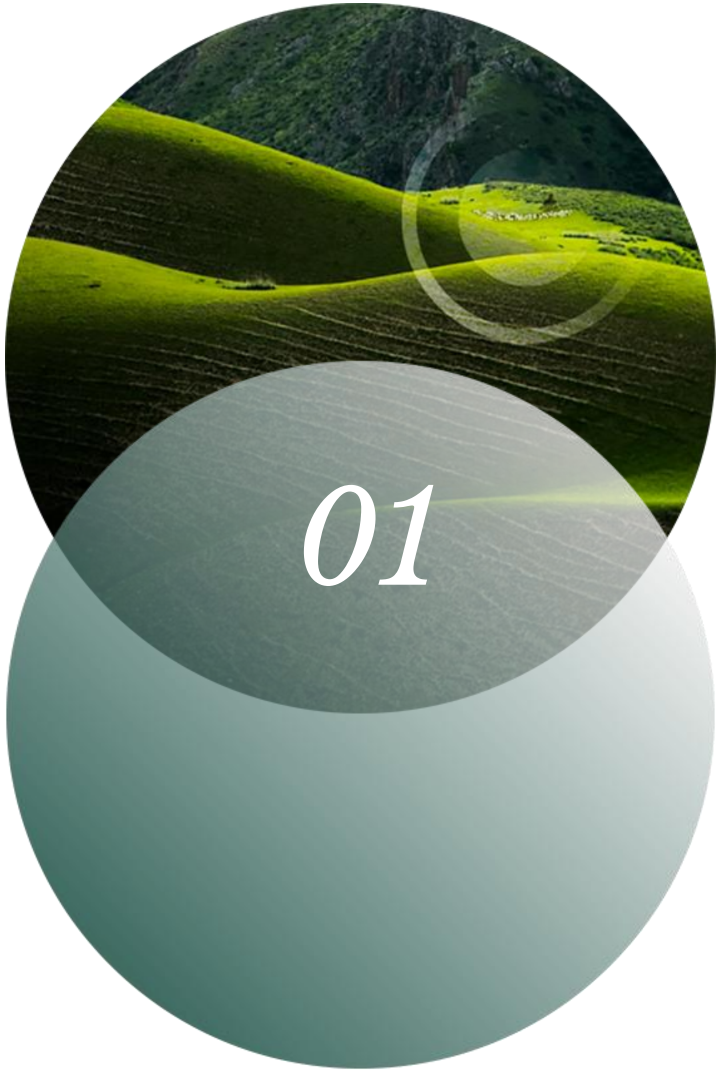


Source : Morningstar. Data as of 31.01.2022 (Europe OE ex ETF ex MM ex FoF ex Feeder (domiciled, most compr.)

Year-to-date performances of asset classes
THAT SINKING FEELING



Past performances are not a reliable indicator of future performances and are not constant over time.
Sources: Bloomberg and BoA ML as of 02/28/2022; performances expressed in local currencies

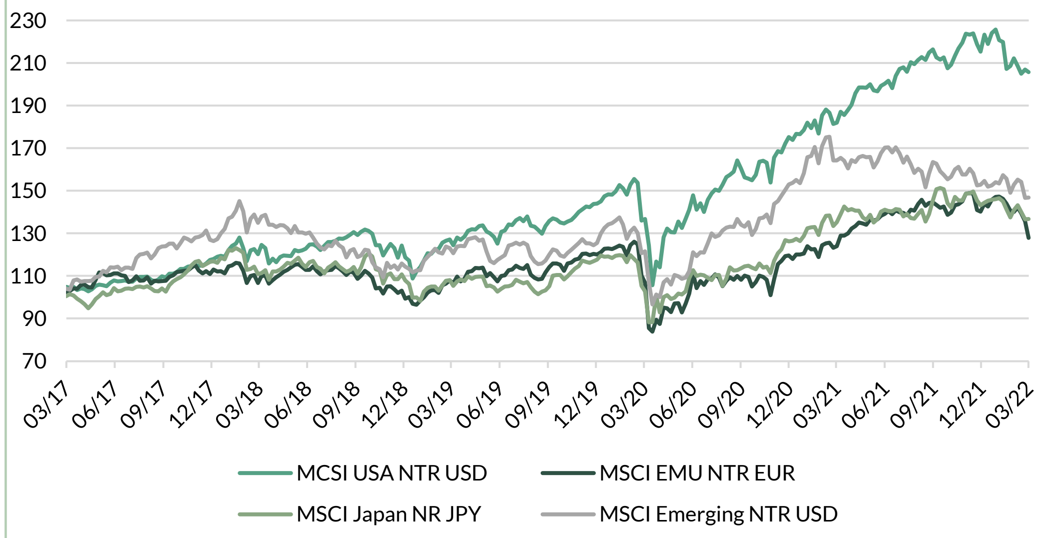


01 EQUITIES

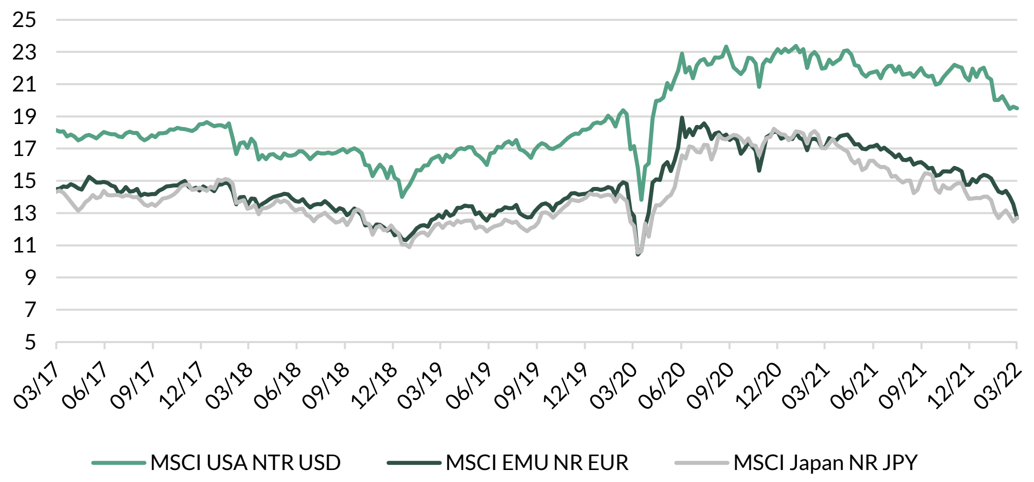
Equities

DISPERSION AND TRENDS REVERSALS

5-YEAR EQUITY MARKET PERFORMANCE



5-YEAR PRICE/EARNING RATIO



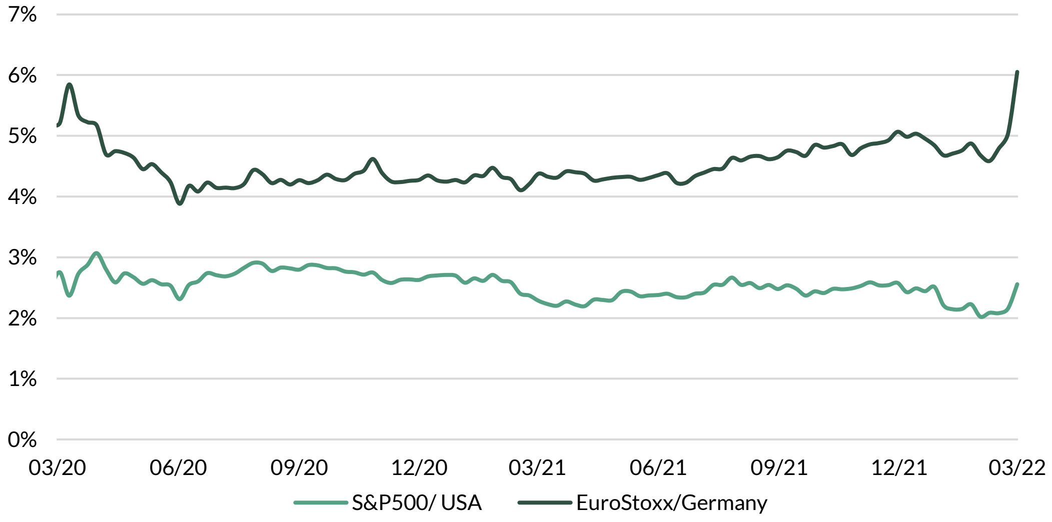
- With significant sell-offs in the last week of February, global equities fell slightly over the month, with MSCI All Countries posting a -2.6% loss
- Since the beginning of the year, trends have reversed significantly, and the Eurozone has sharply underperformed (EuroStoxx -5.2%), while the S&P 500 (-3.1%) and the Topix (-0.5%) proved more resilient
- Emerging markets fared relatively well on average, despite a loss of over 30% in Russian equities, with stock markets in commodity exporting countries posting monthly gains

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 03/04/2022

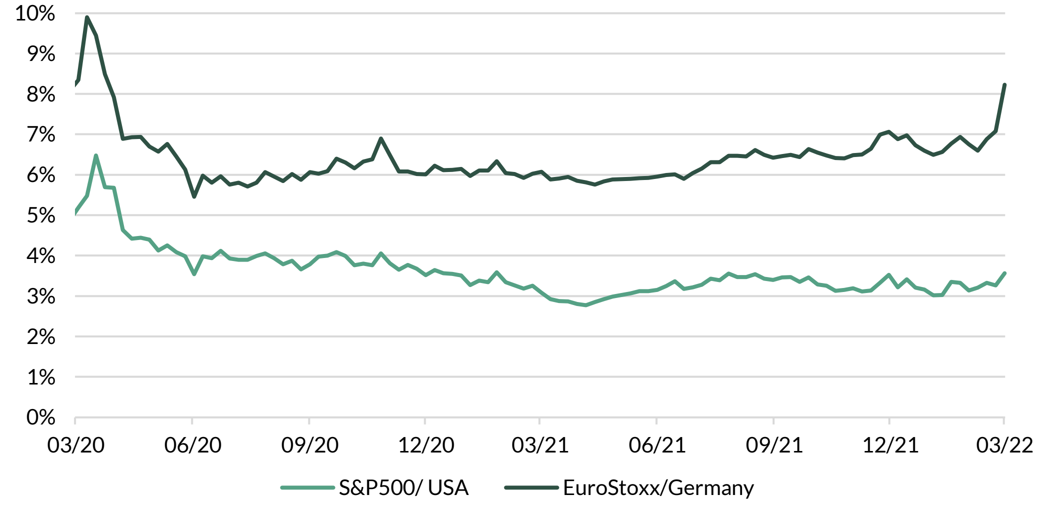
Risk premiums

HIGHER VOLATILITY, HIGHER PREMIUMS

DIVIDEND YIELD (12M FWD) – SOVEREIGN REAL YIELD (10Y)



RETURN ON SHARES (1/PE) – SOVEREIGN NOMINAL YIELD (10Y)

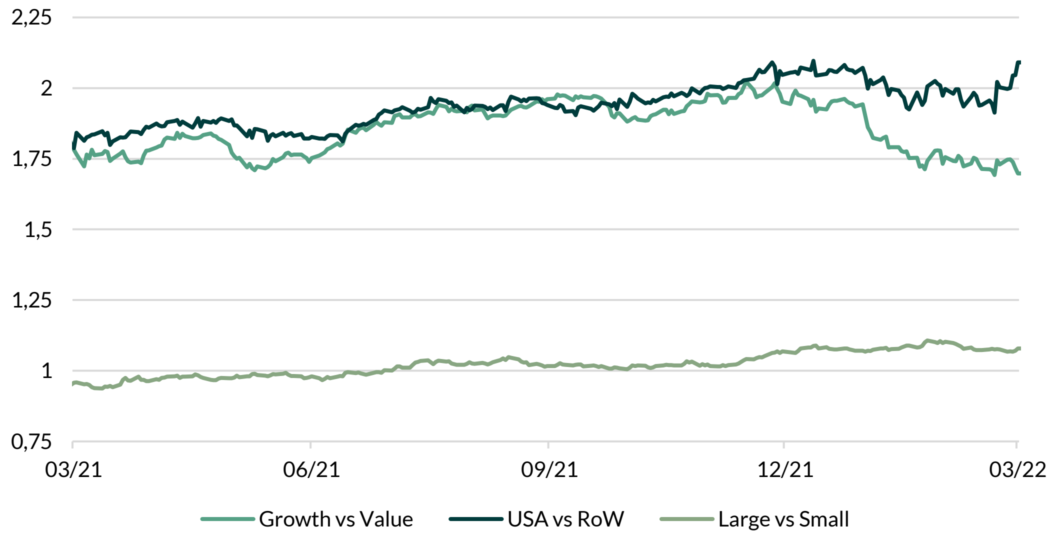


- Nominal yields remained fairly stable, while real yields plunged as a result of increased inflationary pressures
- The equity sell-off, without any significant downwards revision of expected net earnings for the moment, has let to a sharp increase of risk premia
- The gap between expected dividend yield of Eurozone equities and the real yield of German bonds is now larger than its previous peak of March 2020

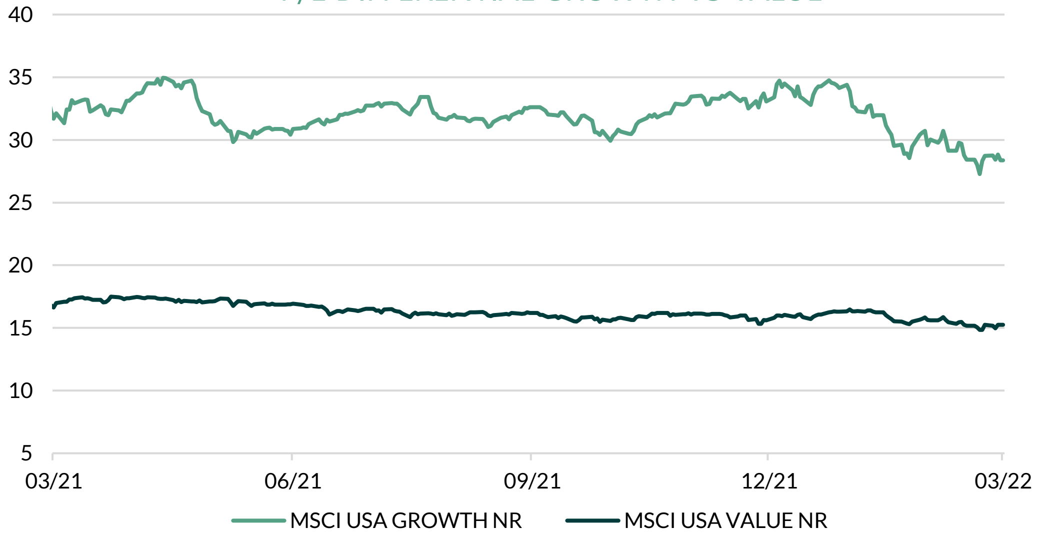
Past performances are not a reliable indicator of future performances and are not constant over time
Sources: ODDO BHF AM SAS, Bloomberg | Data as of 03/04/2022

Equities performances – styles differential
THE GREAT GAP

WORLD EQUITIES FACTOR PERFORMANCES



P/E DIFFERENTIAL GROWTH VS VALUE



- The recent trend of underperformance of US assets relative to non-US assets has reversed sharply, with a significant contribution from FX
- The “growth vs value” trend has been quite volatile and trendless in recent weeks
- PE derating occurred both in the value and growth universes

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 03/04/2022

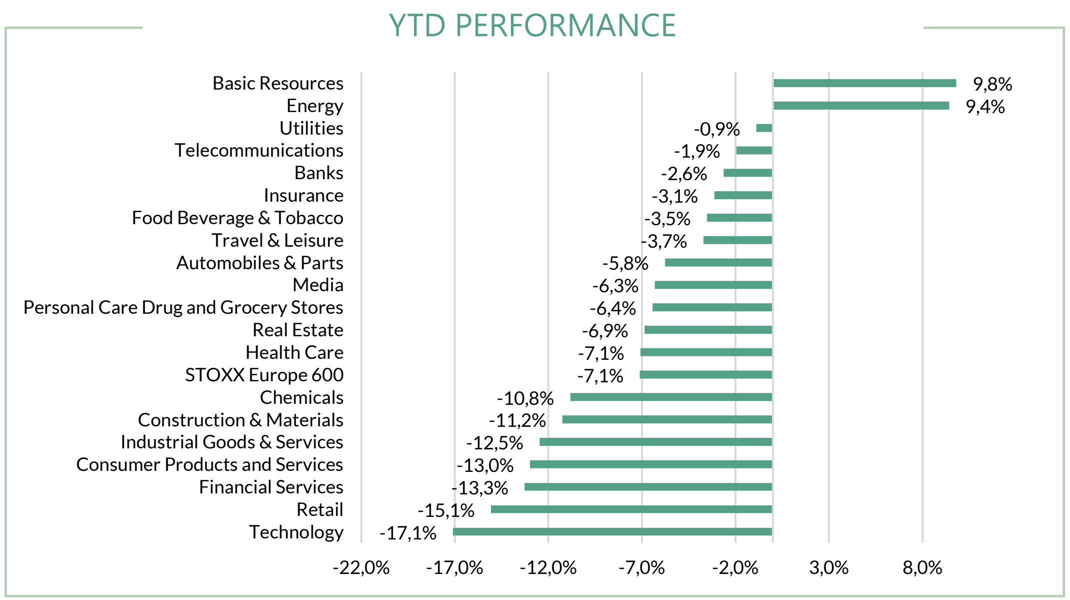
European equities – sectors overview
DISLOCATION OF THE « VALUE » MARKET

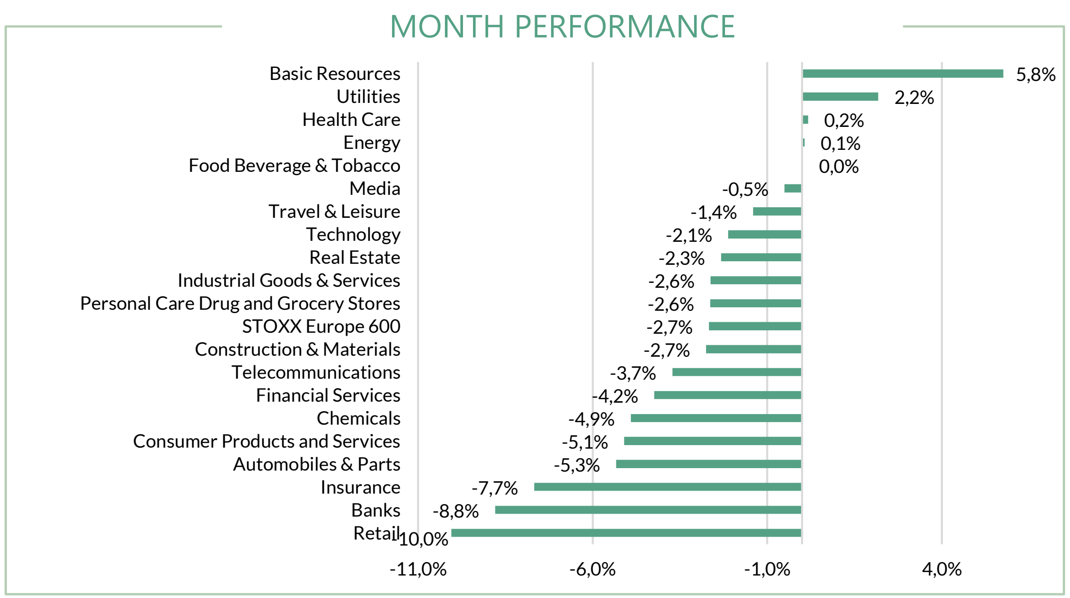
EUROPEAN SECTORS	P/E Next 12 months as of 03/2022	Rerating P/E	EPS growth 2021	EPS growth 2022	EPS growth 2023	Div Yield	Perf YTD	Perf 1 Month
STOXX Europe 600	14,0 x	**2%**	68%	8%	7%	3,3%	-7,1%	-2,7%
Commodities								
Basic Resources	8,3 x	**-36%**	211%	-15%	-21%	5,8%	9,8%	5,8%
Energy	8,5 x	**-18%**	938%	25%	-4%	4,3%	9,4%	0,1%
Cyclicals								
Automobiles & Parts	6,4 x	**-37%**	566%	1%	12%	4,9%	-5,8%	-5,3%
Chemicals	16,9 x	**9%**	81%	4%	4%	2,7%	-10,8%	-4,9%
Construction & Materials	15,0 x	**-3%**	62%	4%	12%	3,1%	-11,2%	-2,7%
Consumer Products and Services	22,6 x	**n/a**	85%	17%	13%	2,1%	-13,0%	-5,1%
Industrial Goods & Services	16,5 x	**6%**	82%	19%	6%	2,5%	-12,5%	-2,6%
Media	17,4 x	**5%**	19%	16%	12%	2,6%	-6,3%	-0,5%
Technology	23,9 x	**25%**	35%	12%	19%	1,2%	-17,1%	-2,1%
Travel & Leisure	28,9 x	**77%**	66%	161%	103%	1,4%	-3,7%	-1,4%
Financials								
Banks	8,3 x	**-29%**	124%	-2%	10%	5,6%	-2,6%	-8,8%
Insurance	10,1 x	**-5%**	32%	8%	9%	5,5%	-3,1%	-7,7%
Financial Services	11,6 x	**-27%**	69%	-13%	9%	3,0%	-13,3%	-4,2%
Real Estate	19,3 x	**6%**	14%	7%	8%	3,4%	-6,9%	-2,3%
Defensives								
Food Beverage & Tobacco	18,1 x	**2%**	9%	9%	9%	3,0%	-3,5%	0,0%
Health Care	18,4 x	**19%**	6%	10%	13%	2,4%	-7,1%	0,2%
Personal Care Drug and Grocery Stores	18,0 x	**13%**	6%	2%	10%	3,1%	-6,4%	-2,6%
Retail	16,1 x	**4%**	228%	18%	12%	3,2%	-15,1%	-10,0%
Telecommunications	14,1 x	**-7%**	-23%	15%	11%	4,4%	-1,9%	-3,7%
Utilities	15,5 x	**20%**	20%	7%	5%	4,2%	-0,9%	2,2%

Past performances are not a reliable indicator of future performances and are not constant over time
Sources: ODDO BHF AM SAS, Bloomberg | Data as of 03/01/2022

European equities – sectors performance

COMMODITIES…





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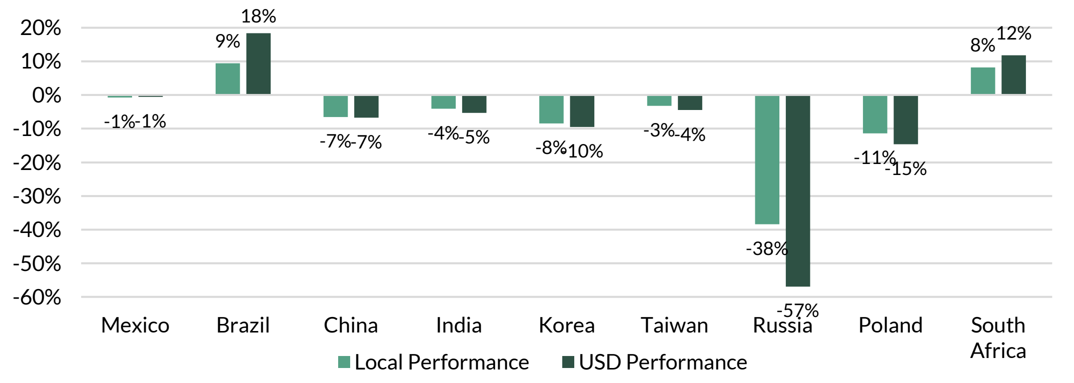
Emerging markets

ENERGY DEPENDENCY WIDENS THE GAP

EQUITY PERFORMANCE ON MAJOR EMERGING MARKETS

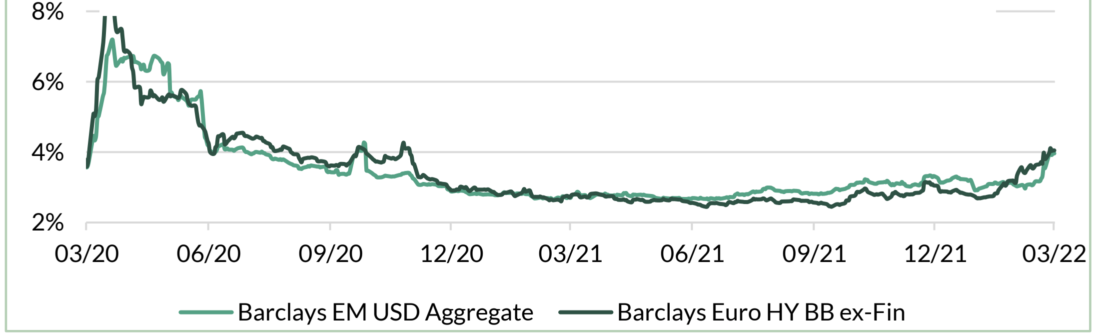


EPS (INCLUDING LOSSES) GROWTH & PE (LOCAL CURRENCY)

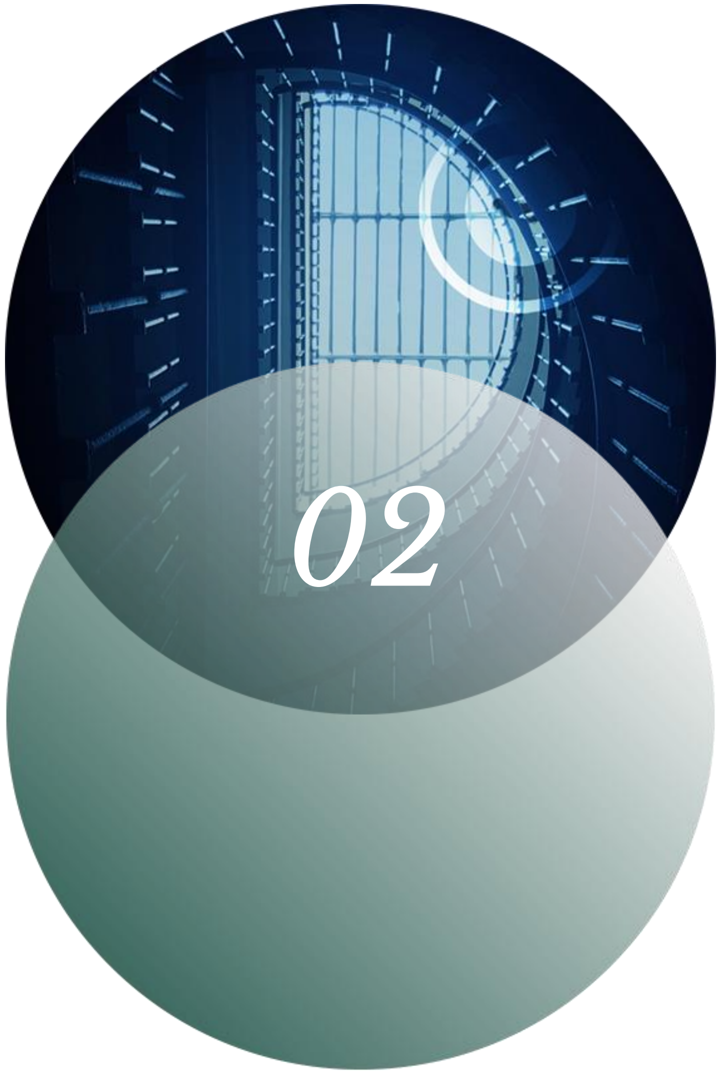
Emerging	PE 12mth fwd	2021 EPS Growth	2022e EPS Growth	Dividend Yield
MSCI EM	11,8	65%	10%	3,3%
MSCI CHINA	11,0	24%	15%	2,5%
MSCI KOREA	10,1	99%	13%	2,1%
MSCI INDIA	23,8	90%	20%	1,3%
MSCI INDONESIA	16,2	52%	11%	3,1%
MSCI PHILIPPINES	18,9	90%	22%	1,5%
MSCI MALAYSIA	15,3	48%	8%	3,8%
MSCI RUSSIA	2,7	111%	-8%	21,3%
WSE WIG INDEX	8,8	161%	1%	3,9%
MSCI TURKEY	4,7	197%	3%	8,2%
MSCI SOUTH AFRICA	11,0	86%	15%	4,2%
MSCI BRAZIL	7,9	199%	-2%	7,5%
MSCI MEXICO	13,9	156%	10%	3,6%

- Commodity exporters fared quite well
- Russian market losing close to -60% in USD, before markets being suspended
- Incoming soft or selective defaults from Russian issuers, but contagion in the emerging debt universe remained rather limited

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 03/04/2022

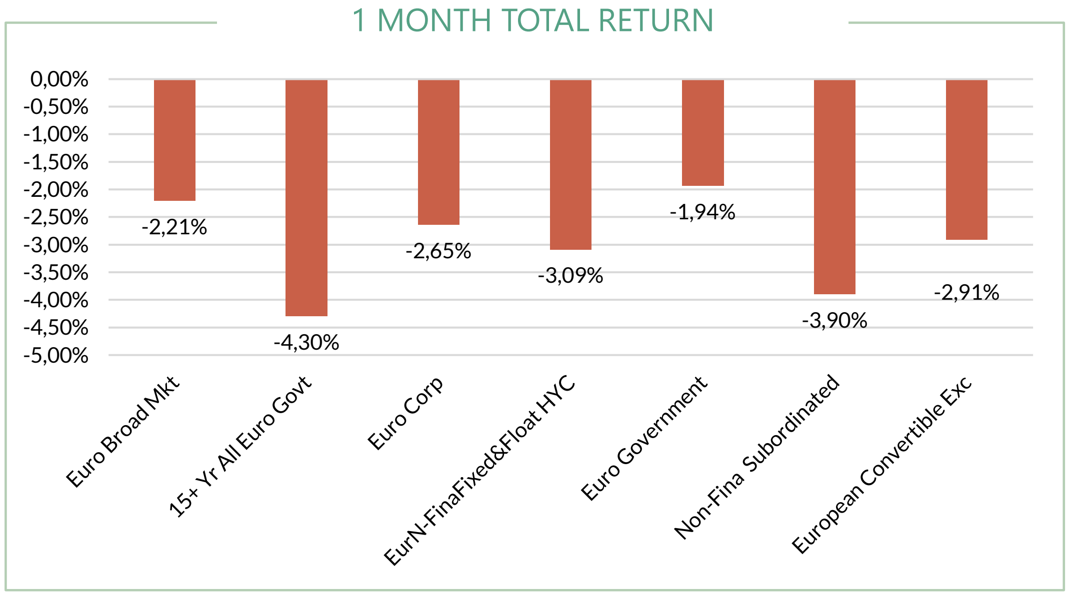


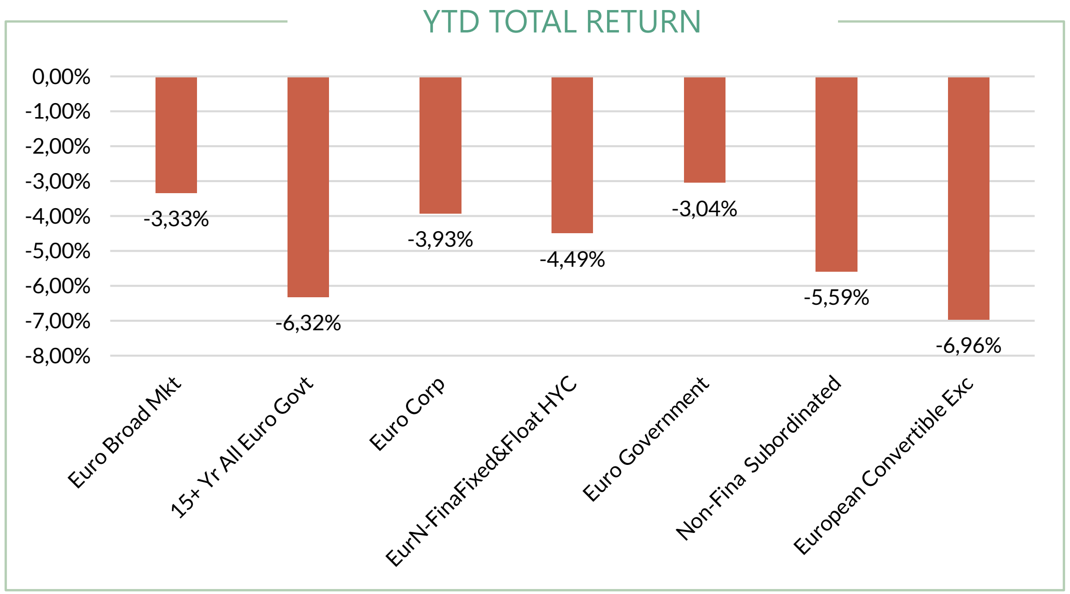
02

FIXED INCOME

Performance fixed income segment

HAVEN FLOWS LIFT CORE MARKET PERFORMANCE





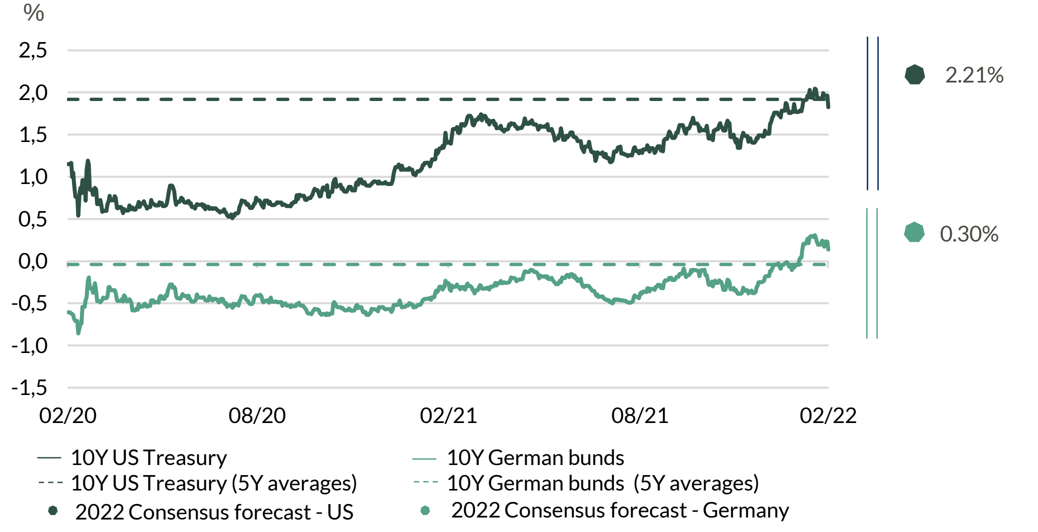
- Core government markets continue to profit from safe haven flows
- Spread widening in corporate markets leads to significant underperformance

Past performances are not a reliable indicator of future performances and are not constant over time
Source: ODDO BHF AM, Bloomberg, data as of 02/28/2022

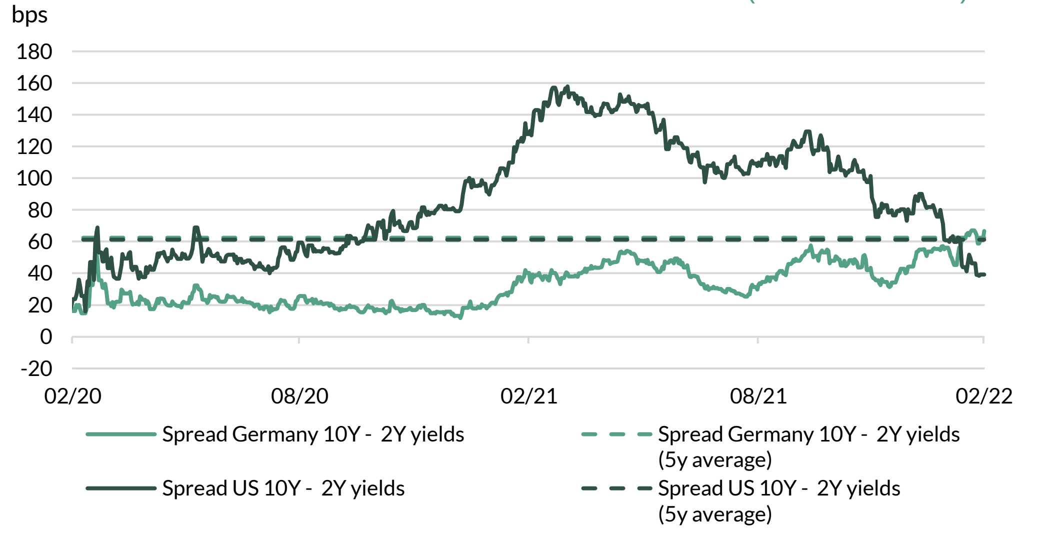
Rates

IS US CURVE FLATTENING A HARBINGER OF RECESSION?

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



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



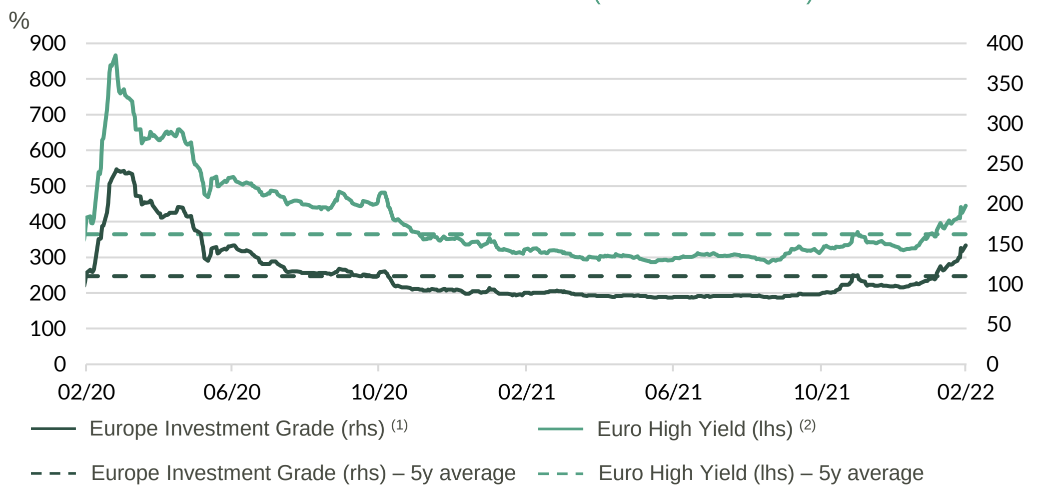
- Bund 2-year yields revisit pandemic lows as invasion triggers safe haven flows
- 10-2 year curves move into opposite directions in the US and EU: flatter over the pond and steeper here
- US flattening probably overdone
- Although, haven flows are likely not over yet the long end in Bunds and Treasuries does not represent a good risk hedge

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 02/28/2022; RHS: Data as of 02/28/2022

Credit Spreads

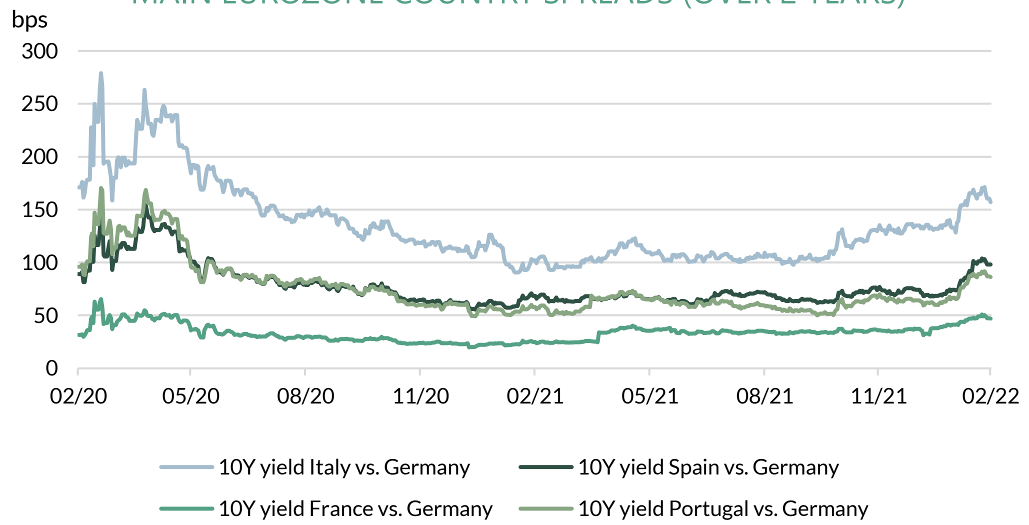
FEAR AND LOATHING IN ‘CREDITLAND’?

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)

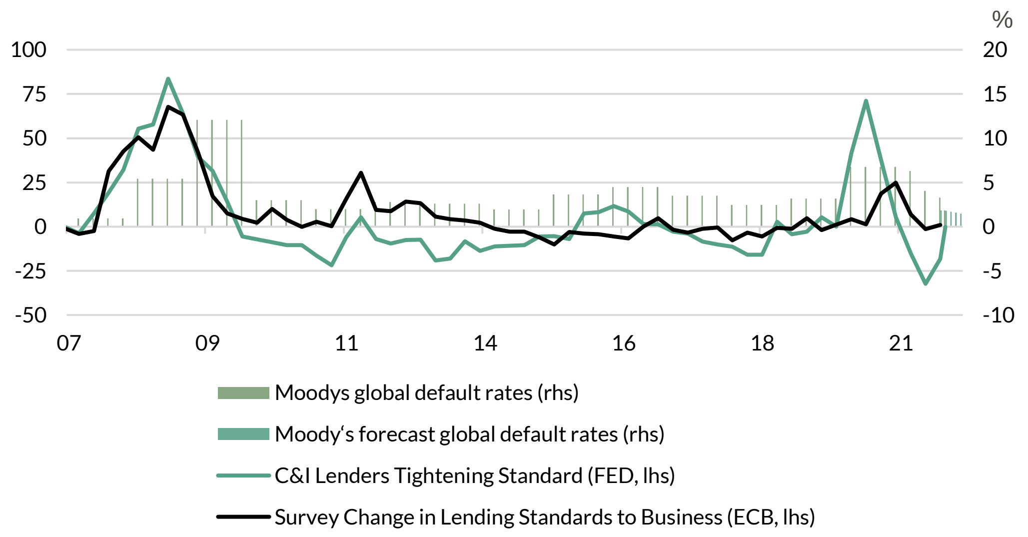


- Spreads have widened considerably in IG space to 154 bp and 476 bp in High Yield (March 7th)
- But trading conditions and liquidity mostly still orderly except for bonds with high Russian involvement
- Risk for waning liquidity is growing as volatility remains high

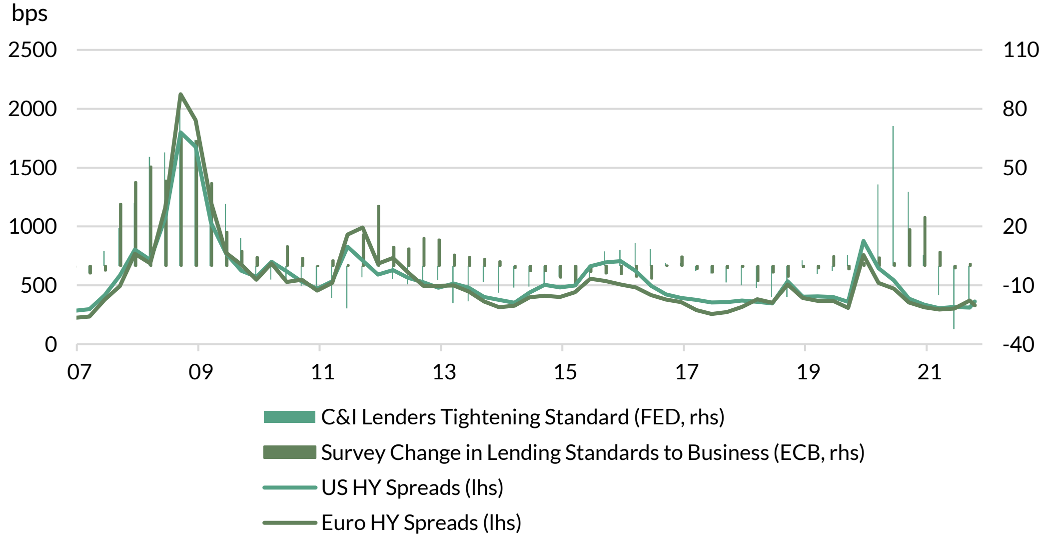
Past performance is not a reliable indicator of future performance and is not constant over time.
Sources: ODDO BHF AM SAS, Bloomberg │ Data as of 02/28/2022

Financial conditions
BUMPY AHEAD

LENDING STANDARDS AND DEFAULT RATE



LENDING STANDARDS AND SPREADS



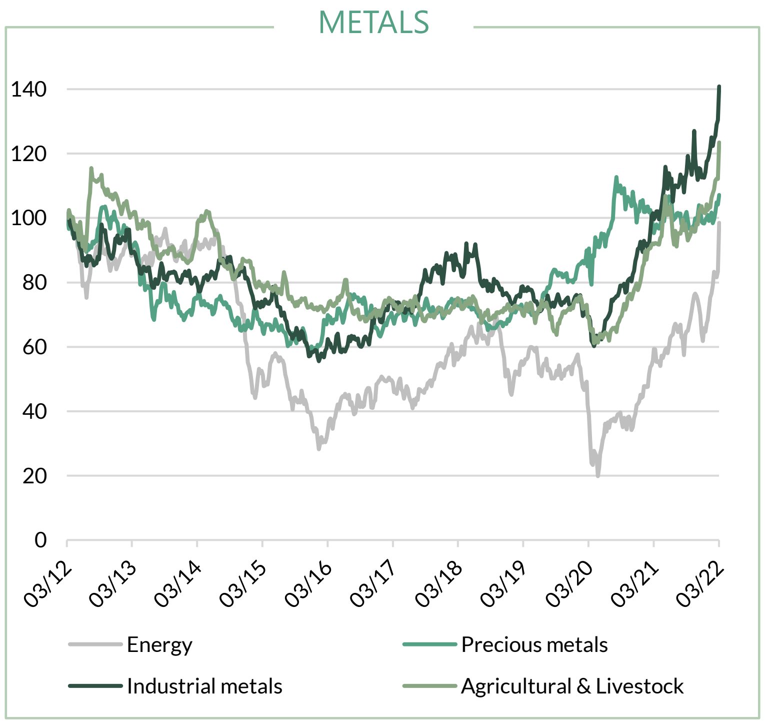
- Widening spreads and sinking equities will curtail financial conditions

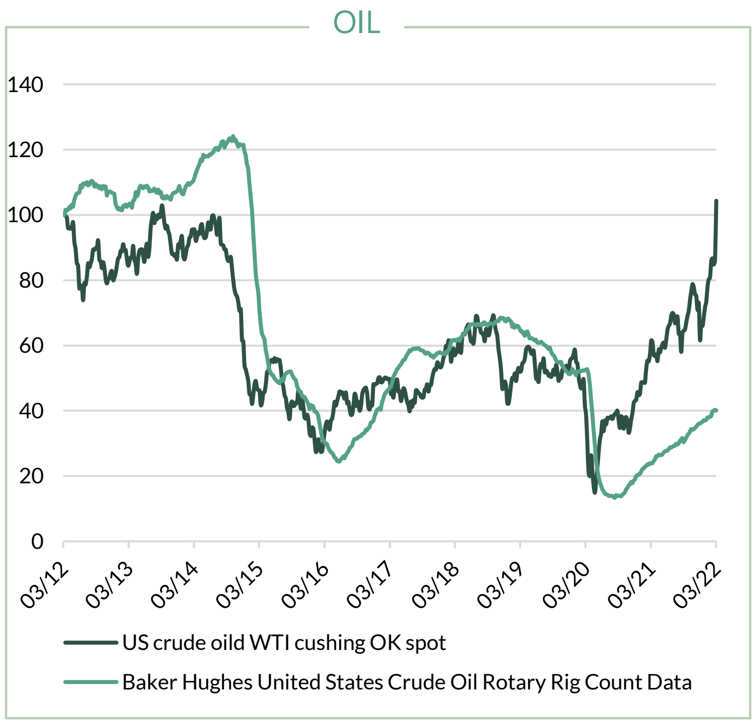
Source: Fed, ECB, Bloomberg | Moody's as of 01/31/2022, Lending Standard & Survey Change as of 12/2021, Spreads as of 02/28/2022

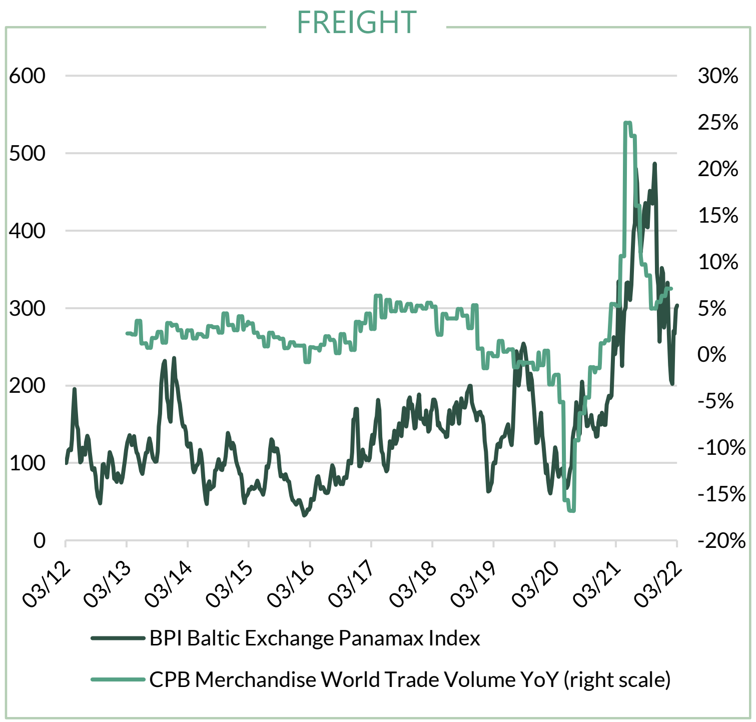
03

COMMODITIES & CURRENCIES

Commodities
SUSTAINED PRESSURES







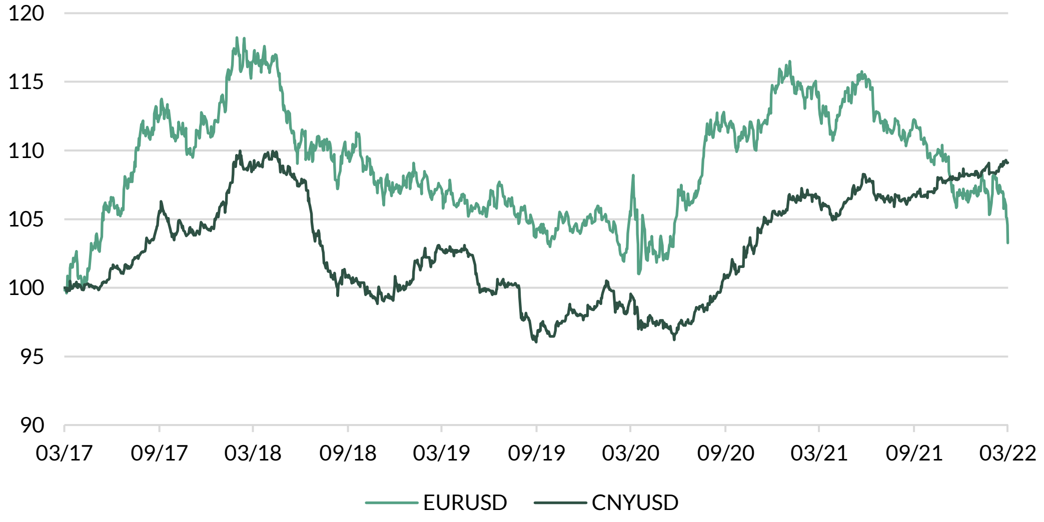
- In almost all commodity sectors, prices kept on increasing in February
- Incoming sanctions on Russia, in a context of low spare capacity for oil, sent WTI oil price to the highest since 2014 (in USD)

Past performances are not a reliable indicator of future performance and are not constant over time.
Sources: Bloomberg, ODDO BHF AM SAS | Data at 03/04/2022

Currencies

SAFE HAVEN CURRENCIES

CURRENCIES - CHANGE OVER 5 YEARS



CURRENCIES- RETURNS

	M-1	YTD	Y-1
EUR-USD X-RATE	-0.1%	-3.9%	-6.9%
JPY-USD X-RATE	0.1%	0.3%	-10.2%
GBP-USD X-RATE	-0.2%	-2.2%	-1.0%
CHF-USD X-RATE	1.1%	-0.5%	-3.0%
CAD-USD X-RATE	0.3%	-0.7%	0.8%
AUD-USD X-RATE	2.8%	1.5%	-5.6%
SEK-USD X-RATE	-1.4%	-8.1%	-9.1%
TRY-USD X-RATE	-3.8%	-6.2%	-44.2%
PLN-USD X-RATE	-2.7%	-9.8%	-7.5%
KRW-USD X-RATE (x100)	0.3%	-2.3%	-8.4%
MXN-USD X-RATE	0.8%	-2.1%	-3.0%
BRL-USD X-RATE	2.8%	10.0%	-6.8%
MYR-USD X-RATE	-0.3%	-0.4%	-3.4%
THB-USD X-RATE	1.6%	1.7%	-9.5%
ZAR-USD X-RATE	0.1%	3.6%	-7.9%
INR-USD X-RATE	-1.3%	-2.5%	-2.0%
IDR-USD X-RATE (x1000)	0.1%	-1.0%	-2.4%
CNY-USD X-RATE	0.8%	0.6%	2.7%

- Increased energy crisis and lower real yields sent Euro significantly down in the last days of February
- Even as USD appeared as a safe-haven in these volatile markets, CNY kept appreciating vs the greenback
- Tailwind from commodity prices pushed BRL, AUD higher

Past performances are not a reliable indicator of future performance and are not constant over time.
Sources: Bloomberg, ODDO BHF AM SAS | Data at 03/04/2022

03

CURRENT CONVICTIONS

Scenarios
OUR 6-MONTH VIEW

01 Central scenario

Global GDP growth still above long-term trend, but negatively impacted by the escalation of the Russian/Ukrainian situation, mainly through the resulting energy crisis, sanctions and their impact on sentiment. 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 potential 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

60%

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

25%

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 well perceived

OVERWEIGHT

- Equities, incl. Emerging Markets
- High Yield

UNDERWEIGHT

- Sovereigns

15%

Source: ODDO BHF AM, as of 03/09/2022

Our current convictions
FOR EACH ASSET CLASS

Change from the previous month

Equities	Large cap Eurozone	-1
	Mid cap Eurozone	0
	Small cap Eurozone	-1
	UK	0
	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 03/09/2022

Our current convictions
FOR EACH ASSET CLASS

Change from the previous month

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

Source: ODDO BHF AM, as of 03/09/2022

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

- Jan. 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
- July 21 • Reflation in ambush
- June 21 • A recovery without overheating

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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ODDO BHF Asset Management SAS (France)

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