MONTHLY *investment* BRIEF

ODDO BHF
ASSET MANAGEMENT

After the blue wave – diversification becomes essential

While surfers relish the moment when a wave first lifts them before carrying them back down, many investors were unable to enjoy the 'blue wave' of Democratic successes in the US mid-term elections. After markets initially reacted with relief to the clear election outcome, a sharp sell-off followed, particularly in technology stocks in the US and Asia. The trigger was concern that states now governed by Democrats could impose higher barriers to the construction of data centres. Whether markets have already reached their low point remains to be seen. Regardless, investors' focus is already shifting to the political and economic agenda leading up to the 2028 presidential election. While markets have so far been supported primarily by robust corporate earnings and persistently high levels of investment, uncertainty is increasing. Three issues are taking centre stage: the next steps of the US-Iran conflict and their impact on oil prices; growing risks surrounding the AI investment boom after Nvidia's crisis; and the scope for political action in the period between the mid-term elections and the next presidential election.

Macroeconomic trends – a robust US economy with early warning signs

On the macroeconomic front, warning signs are mounting, even though the economy remains resilient. US consumer spending is losing momentum, while the savings rate, at 3 per cent, is historically low. Inflation is also likely to remain a drag in the near term. In the wake of the AI boom, prices for memory chips, electronic components and batteries have risen in particular. At the same time, it remains unclear whether tensions in the Persian Gulf will ease and lead to lower oil prices. US government debt has doubled since 2017, with no end to this trend yet in sight. Following the Supreme Court ruling in February, tariff revenues have been replaced by refunds. Rising interest rates are also likely to place an even greater burden on the US federal budget.

Stock markets amid a wave of IPOs

Stock markets are rising primarily on the back of growing profits rather than expanding valuations. Technology stocks, in particular, continue to benefit from positive earnings revisions for 2027. Following the recent setbacks, valuations have also retreated from their all-time highs. This does not mean that equities are universally cheap, but entry valuations have become more attractive for many companies. Although the market does not fundamentally question the structural demand for artificial intelligence, warning signs are also beginning to emerge. Investment in AI is growing faster than revenue, making it increasingly important for investors to focus on companies with disciplined capital allocation and positive cash flows. This is becoming even more relevant as the debt levels of many AI-related companies come under closer scrutiny. While hyperscalers are generally well positioned to absorb higher borrowing costs, the situation is becoming more challenging for neocloud providers such as CoreWeave. The company carries debt of 50 billion, exceeding its equity by a factor of 15.

Alternatives in Europe and Asia

Given the growing risks in the AI sector, investors are understandably looking for alternatives. Can they find what they are looking for in Europe or Asia? European equities appear attractive based on free cash flow generation and trade at lower valuations than their US counterparts. However, only a limited number of sectors are currently driving this favourable picture, and the outlook varies considerably. Lower oil prices, for example, could weigh on energy stocks, which have been among the strongest performers. At the same time, rising financing costs are likely to put pressure on highly indebted sectors. Higher government bond spreads could also spill over into parts of the European equity market, with banks particularly sensitive to such developments. By contrast, a recovery in the global economy is expected to support industrial stocks. In South-East Asia, the AI boom has led to a significant expansion in corporate profit margins, although these margins are now likely to have peaked. The reassessment of earnings prospects for AI and semiconductor companies has triggered a sharp correction in valuations across the region. With price-to-earnings ratios below 9, opportunities are emerging for long-term investors, albeit with the prospect of continued volatility. China's equity market has recently disappointed as domestic consumption remains subdued amid the ongoing property crisis. Nevertheless, the IPOs of CXMT and Unitree underline the country's continued strength as a centre of innovation and may offer opportunities for active, risk-tolerant investors.

Source: ODDO BHF AM, comments as of 23/11/2026.

The comeback of bonds

For a broadly diversified portfolio, it is encouraging that bonds benefited from falling yields immediately after the US midterm elections. This underlines that they have not lost their role as an effective diversifier within portfolios. Nevertheless, the medium- to long-term trend towards higher interest rates is likely to persist, as financing the AI boom is driving substantial corporate bond issuance that competes with government bonds for investor demand. Although market nervousness has eased somewhat in recent weeks, French assets remain under pressure due to ongoing political uncertainty. Opportunities may, however, emerge beyond the established markets. Lula's unexpected presidential election victory caught many investors off guard. For those who doubt that he will be able to implement his costly spending agenda against a conservative-dominated Congress, double-digit local-currency bond yields could present an attractive opportunity. The picture in corporate bonds has changed little. Credit spreads remain tight, but absolute yields are becoming more attractive again. Here, too, the growing issuance volumes linked to the AI boom are increasingly evident. A downgrade of a major issuer such as Oracle could trigger a reassessment of the speculative grade universe. In commodities, copper continues to look attractive, as long-term demand growth is meeting insufficient supply.

Conclusion

Following the correction in recent months, equities are once again offering more attractive entry opportunities. At the same time, broadening remains essential, as the high concentration in equity markets heightens the risk of setbacks. Short-dated corporate bonds, emerging-market bonds denominated in local currencies and industrial metals complement the asset allocation in a market environment characterised by geopolitical uncertainty and higher inflation. Over the long term, investors should focus on achieving real returns, with bonds likely to assume a more prominent role than in recent years.



LAURENT DENIZE
Global Co-CIO, ODDO BHF

Source: ODDO BHF AM, comments as of 23/11/2026.

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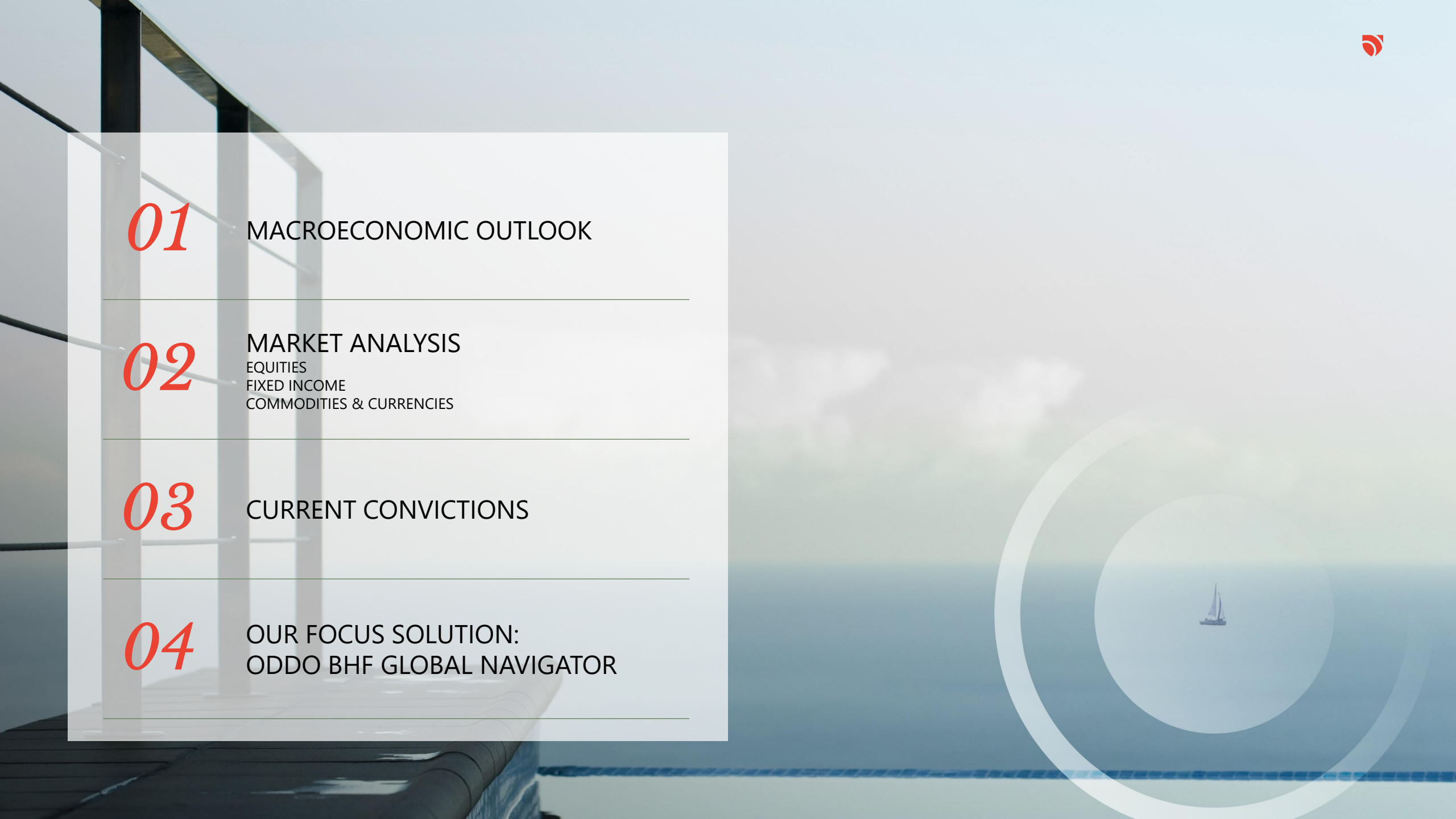


01 MACROECONOMIC OUTLOOK

02 MARKET ANALYSIS
EQUITIES
FIXED INCOME
COMMODITIES & CURRENCIES

03 CURRENT CONVICTIONS

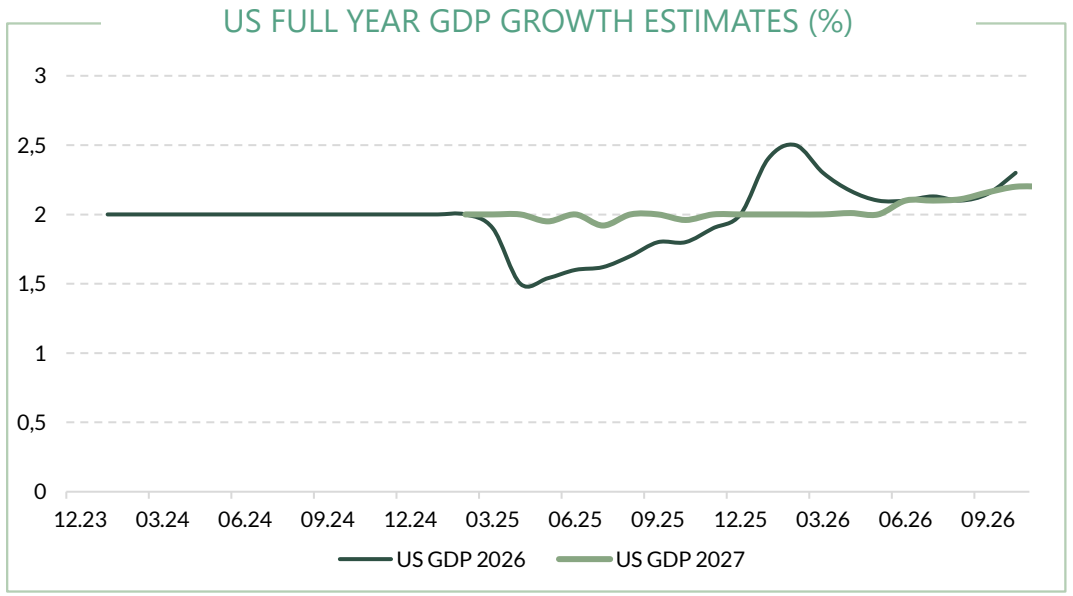
04 OUR FOCUS SOLUTION:
ODDO BHF GLOBAL NAVIGATOR

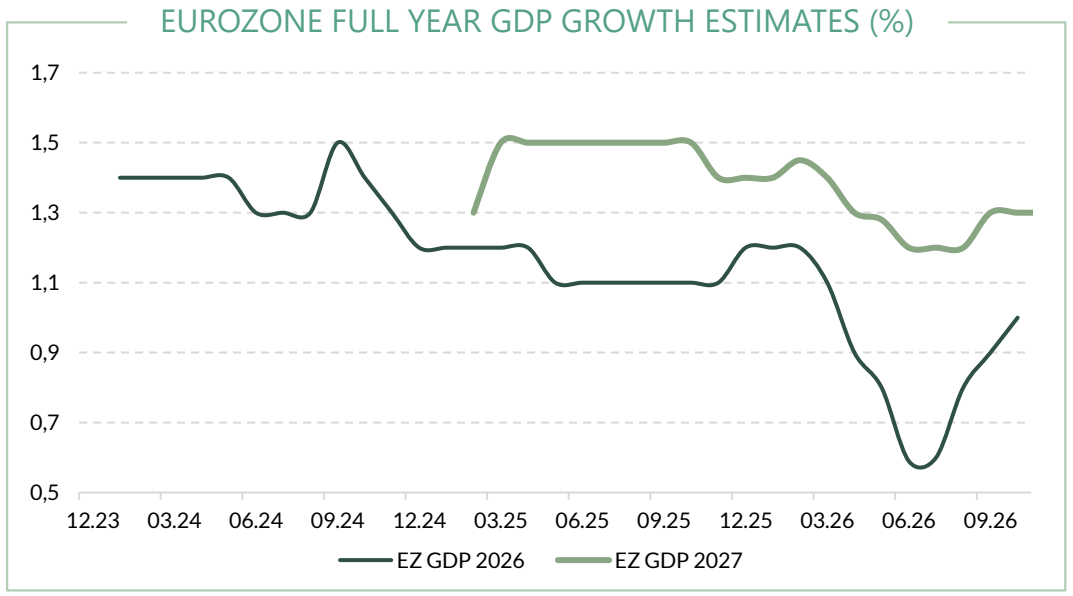


01

MACROECONOMIC *outlook*

Growth outlook
CONSENSUS PENCILS IN A BENIGN BACKDROP



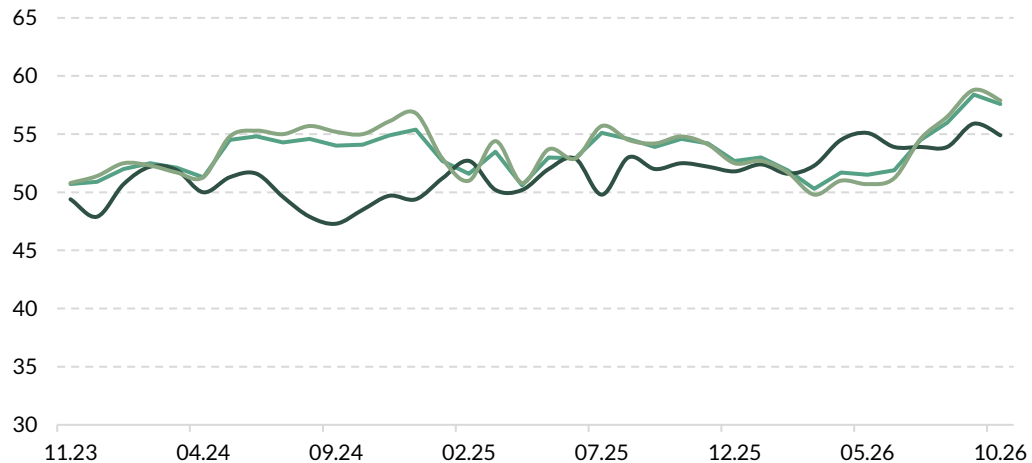


- The recent acceleration in US economic momentum has now been built into forecasts for the whole of 2026 and next year
- In the Eurozone, the energy related drop in forecasts has been almost erased in 2026. Also, 2027 is seen a bit more positive than at mid year amid the resilience of GDP

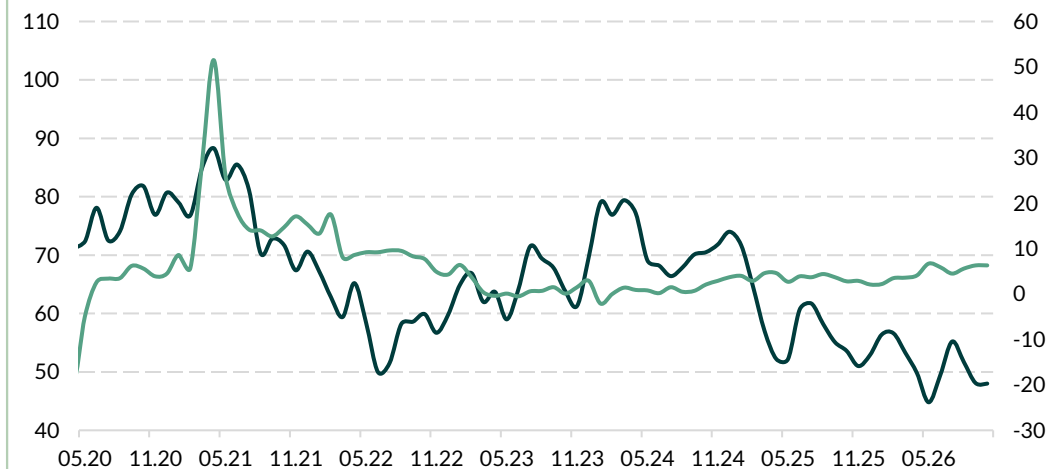
Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/10/2026

USA
SOME ACCELERATION

PMI SERVICES & MANUFACTURING



RETAIL SALES & CONSUMER CONFIDENCE

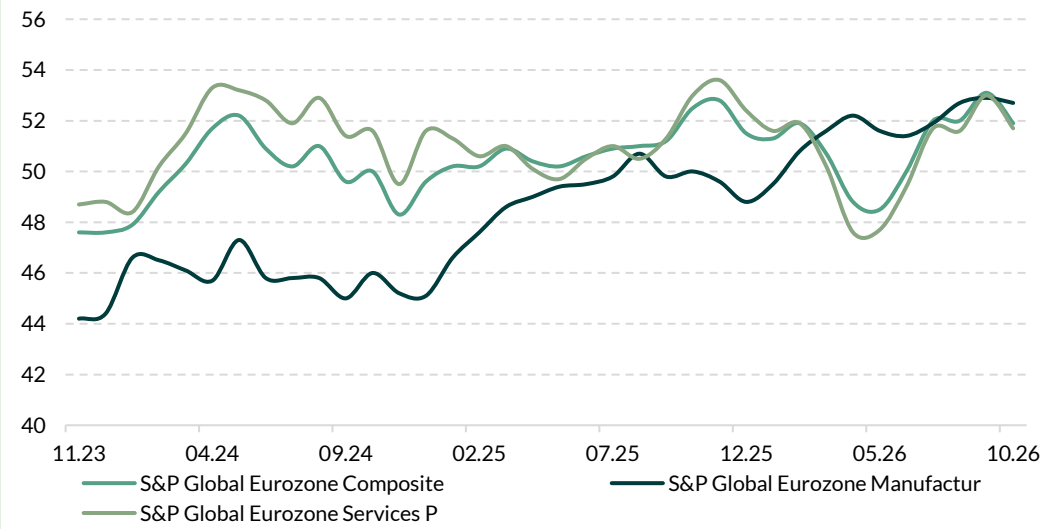


- Q3 GDP came in quite healthy at a 3,4% clip and early readings for Q4 GDP NOW also hint at the same magnitude
- PMIs have faded a bit, but are still in rock solid territory at around 55
- The labor market seems to improve, judging from the October labor report, subindices from ISM and below 200k weekly claims
- Additionally, job openings have risen, while layoffs remain depressed
- Two black spots remain: consumer spending appears stretched. Negative wealth effects could thus easily spoil the party. Secondly, housing remains depressed, but has little contribution to GDP these days

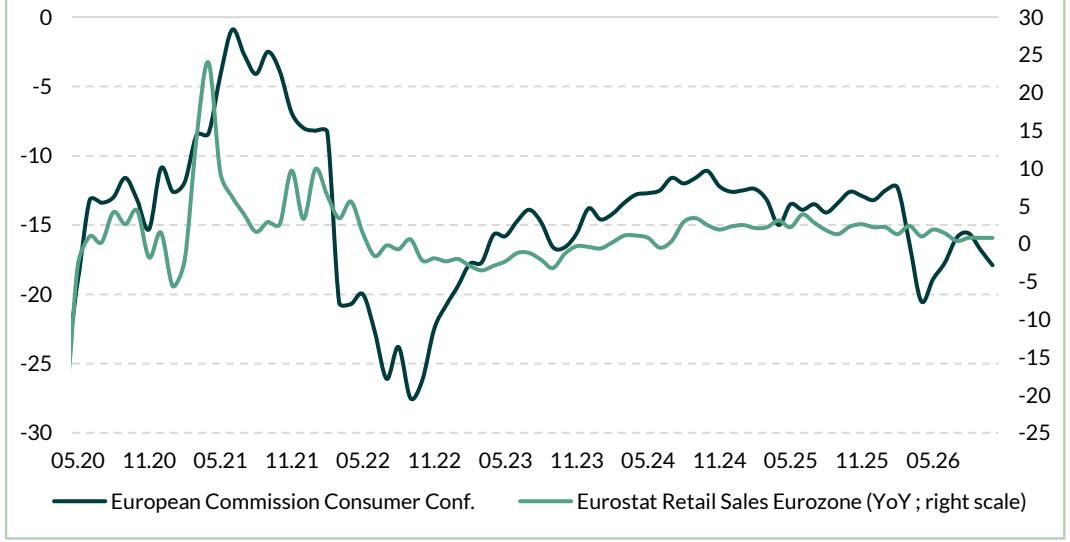
Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/10/2026

Europe
MOMENTUM ROLLS OVER

PMI SERVICES & MANUFACTURING



RETAIL SALES & CONSUMER CONFIDENCE



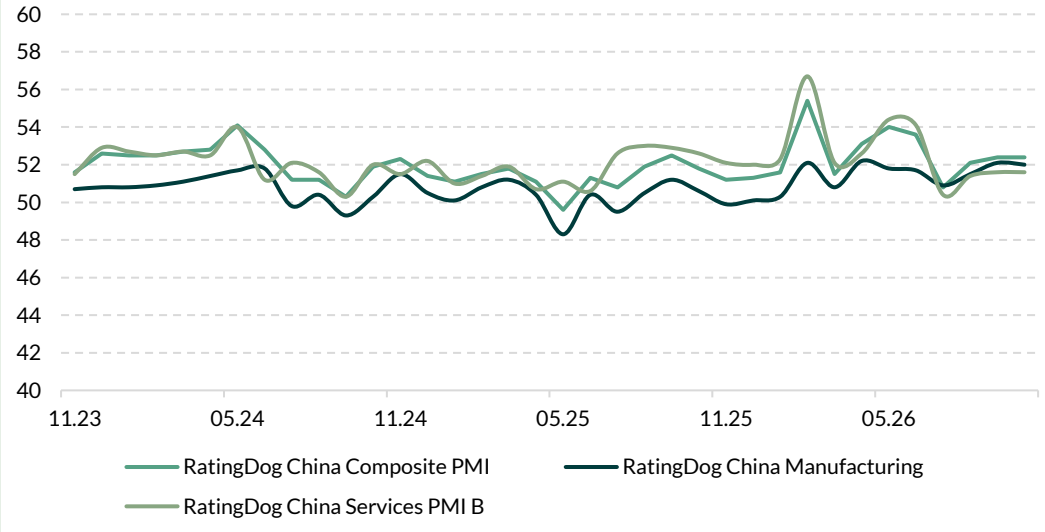
- Q3 GDP surprised to the upside with 0,4% qoq. Spain and Germany were leading, while Italy and France have been on the weak side
- PMIs have been fading recently from elevated levels, but remain clearly in expansionary territory
- Since the summer, a gap has emerged between buoyant PMI data and receding hard data like industrial production, order intake or retail sales. We expect a bit of convergence and therefore PMIs to lose some steam
- Nevertheless, a deeper air pocket is unlikely as fast falling energy prices lift sentiment and the German fiscal impulse is increasingly feeding through

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/10/2026

China

RECORD EXPORTS MASK SEVERE DOMESTIC WEAKNESS

PMI SERVICES & MANUFACTURING



RETAIL SALES & CONSUMER CONFIDENCE

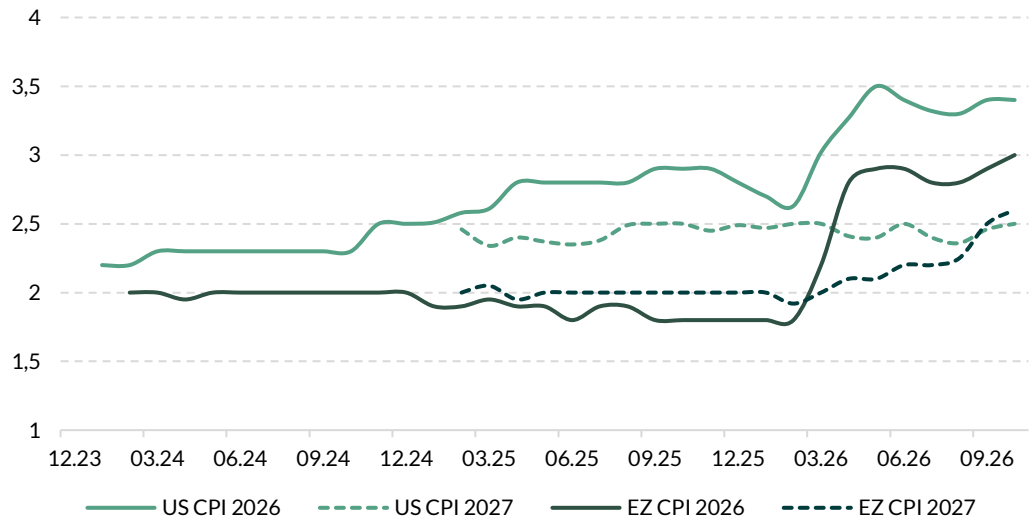


- China tries to export its way out of its structural problems. Export volumes remained near record level in October
- Domestic demand remains lackluster and the credit impulse has turned decidedly negative as housing woes cripple consumer disposable income and wealth creation
- Inflation remains low under 1% yoy, but producer prices at almost 6% yoy are jeopardizing company profitability

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/10/2026

Inflation expectations DROPPING

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



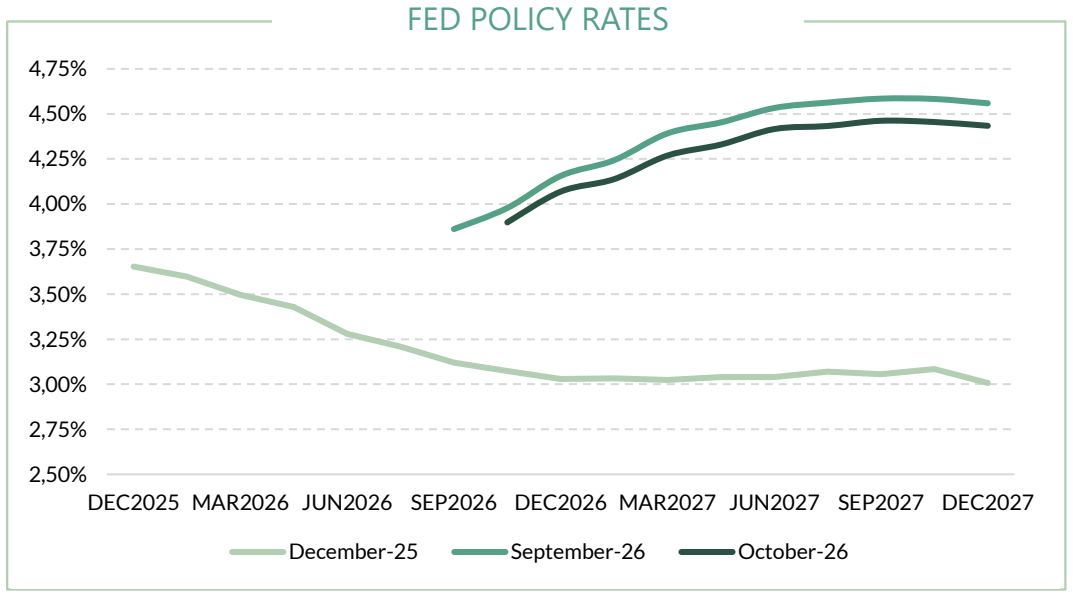
YOY CPI ESTIMATES

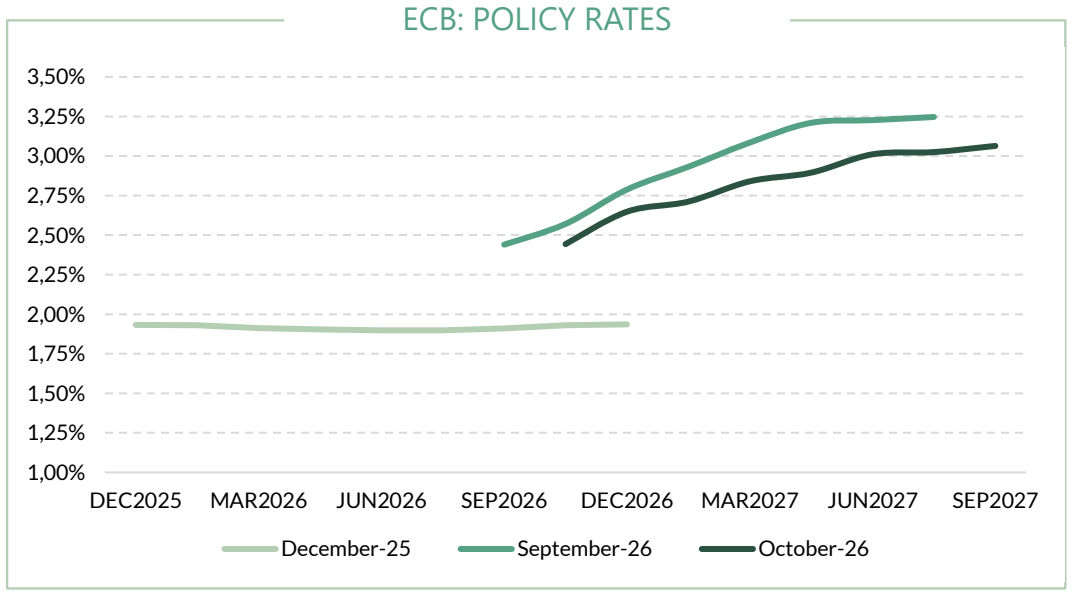
	Headline Inflation Rate (%)	Inflation Rate (%)			Inflation Forecasts (%)		Policy Rate (%)		Money Supply (y/y %)		Output Gap (%)
		Target	Actual	Diff	Annual Forecast	Diff	Nominal	Real	Narrow	Broad	
US	4.2	2.0	4.1	2.1	3.4	1.4	3.75	-0.45	-1.94	5.6	-0.1
Euro Area	2.8	< 2.0	2.8	0.8	2.9	0.9	2.4	-0.4	4	3.2	-
Japan	1.5	2.0	1.5	-0.5	2	0	1	-0.5	-13.7	2.5	0.4
UK	2.8	2.0	2.8	0.8	3.2	1.2	3.75	0.95	-	4.3	0.2
Canada	3.2	1.0-3.0	3.2	0.2	2.59	In range	2.25	-0.95	7.14	4.46	0.1
Australia	4	2.0-3.0	4.0	1.0	4.2	1.2	4.35	0.35	-10.9	7.92	-0.2
New Zealand	3.1	1.0-3.0	3.1	0.1	3.5	0.5	2.25	-0.85	10.8	4.3	-3.5
Switzerland	0.5	<2.0P	0.5	In range	0.6	In range	0	-0.5	-0.4	4.49	0.5
Denmark	1.9	-	1.9	1.9	1.5	1.5	2	0.1	3.67	-12.61	0.6
Norway	3.1	2.0	3.1	1.1	3.3	1.3	4.25	1.15	7	6.5	0.1
Sweden	0.3	2.0	0.3	-1.7	0.7	-1.3	1.75	1.45	-1.66	3.88	-1.2

- Break-even inflation rates have dropped meaningfully over the recent weeks. 10-year OAT BE fell back 20bp to around 1,8% and US 10-year TIPS to 2,22% from 2,5%
- Significantly falling energy prices and some question marks around further growth resilience have been the main drivers behind that decline

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/10/2026

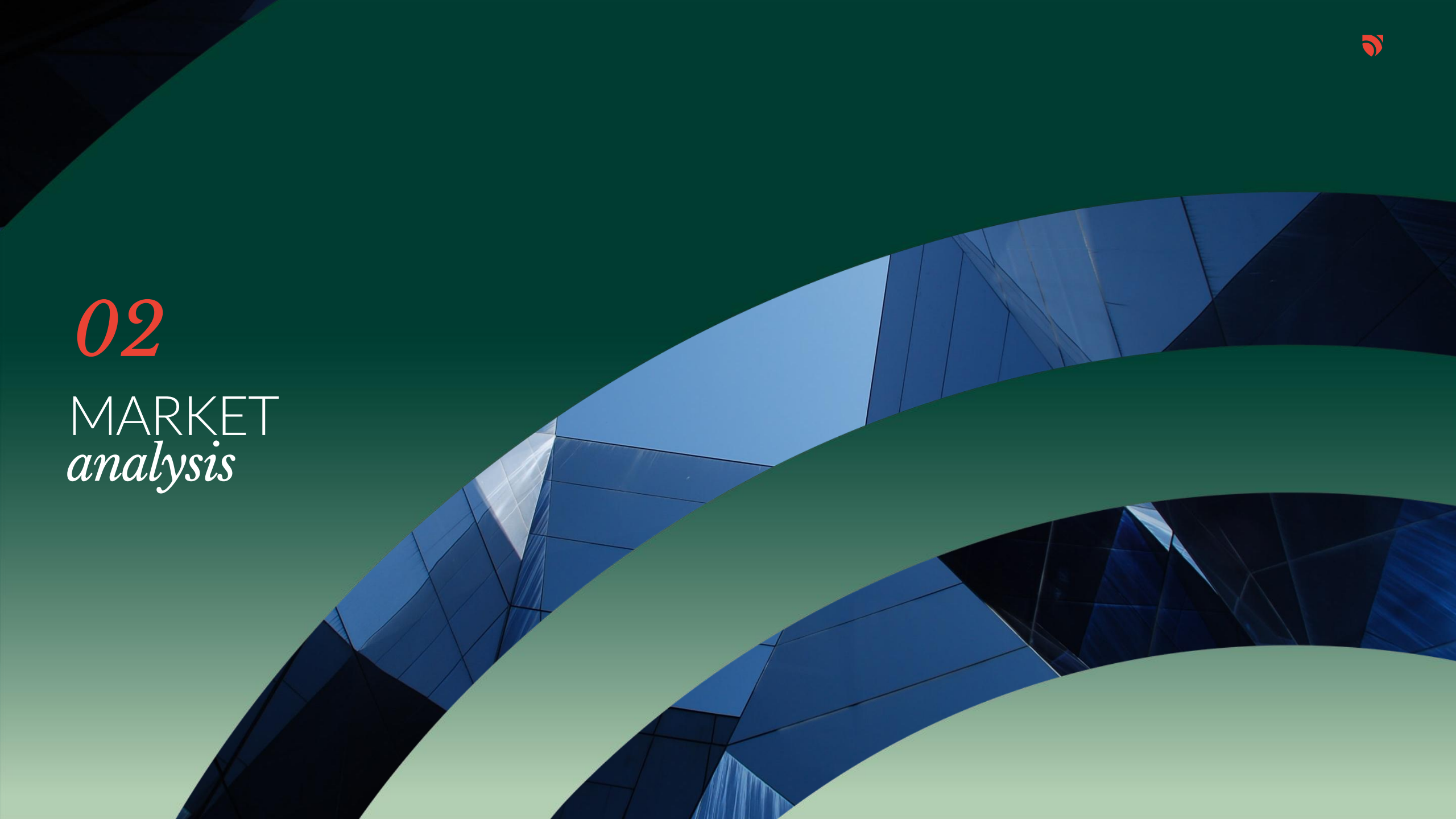
FED & ECB policies
A SHORT HIKING CYCLE





- Markets are pricing two more hikes for the ECB and the FED alike
- The December meeting seems to be a sealed deal for the next FED hike after November US CPI came in hotter than expected. But very limited second round effects in inflation should prevent the central bank from any extended hiking cycle
- The ECB is also likely to opt for a third hike in December, but a 2027 step is not certain. For the time being no cut is priced for end 2027 or early 2028, which leaves the money market curve still priced rich in our view

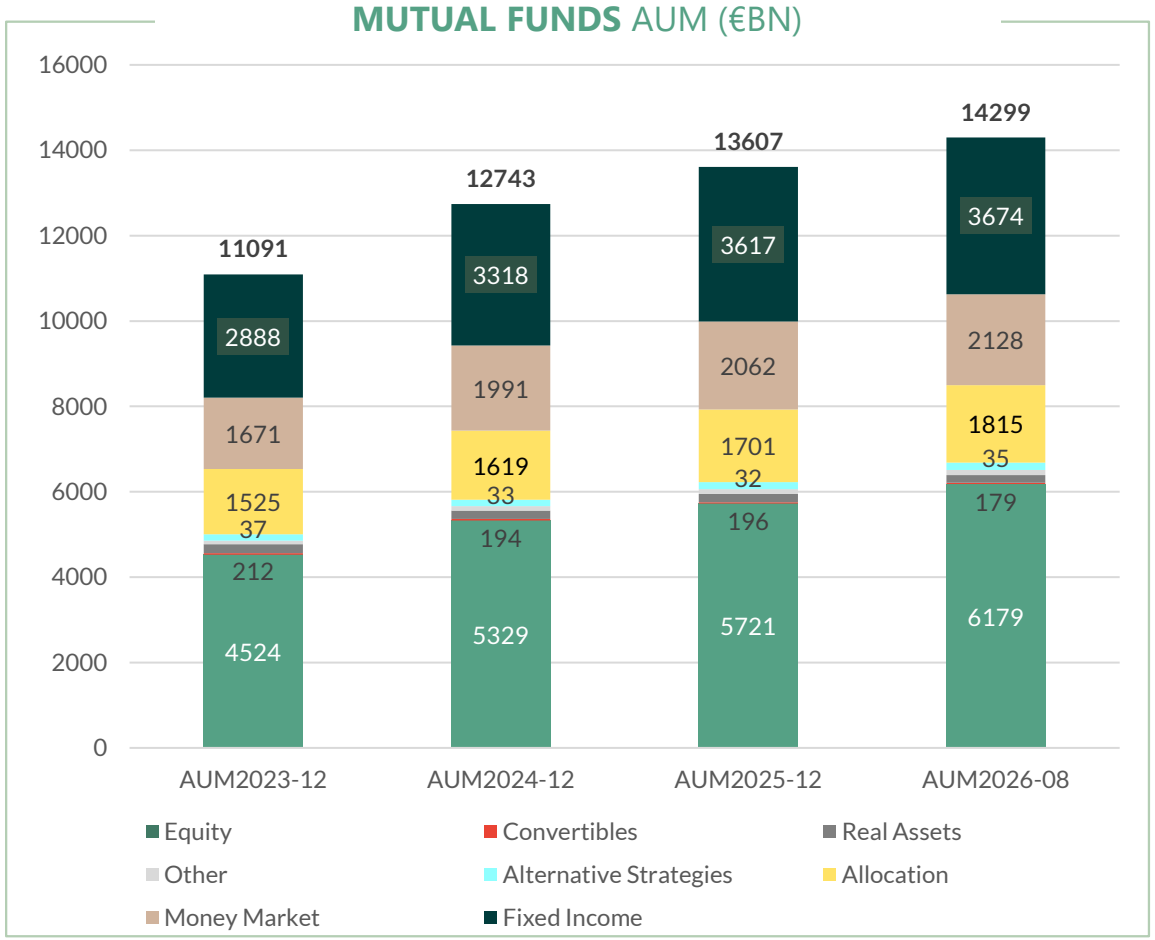
Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/10/2026

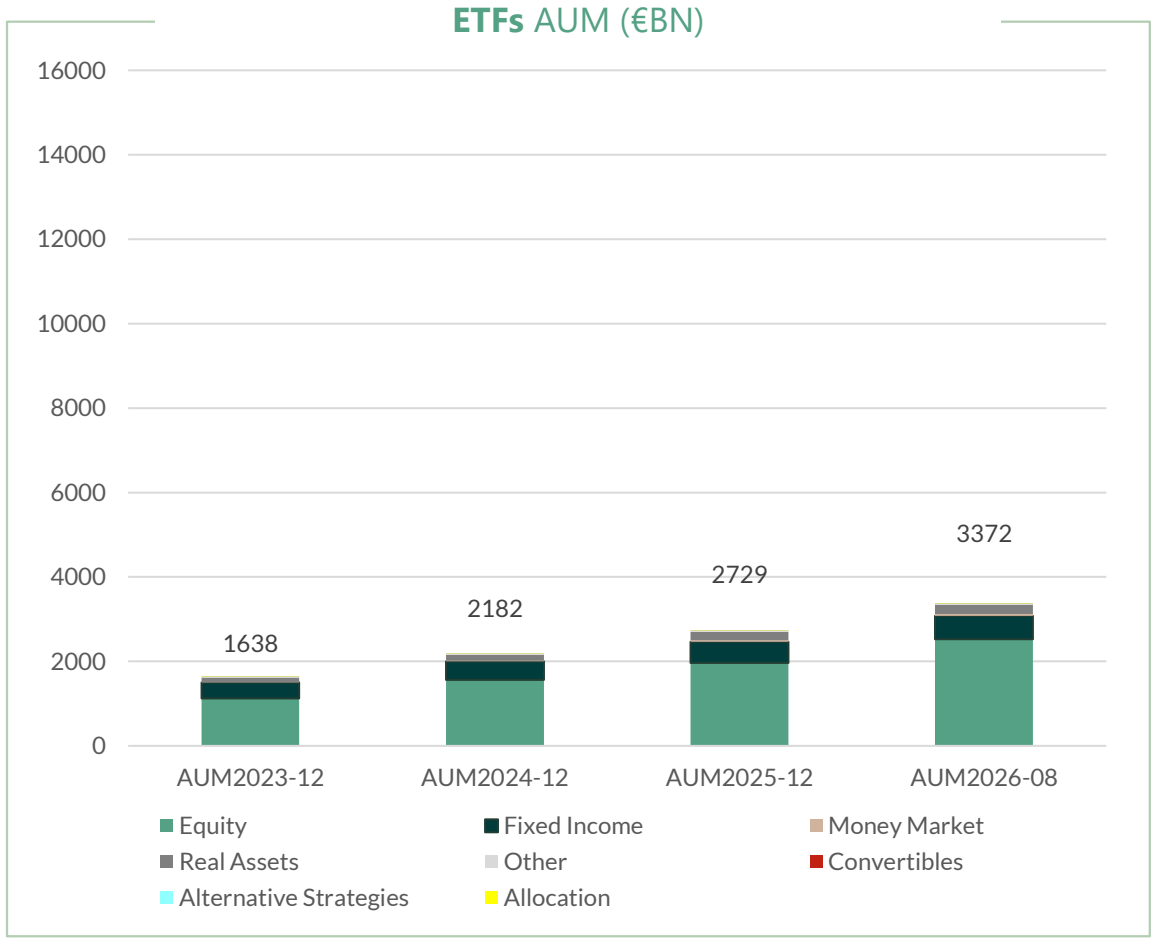


02

MARKET *analysis*

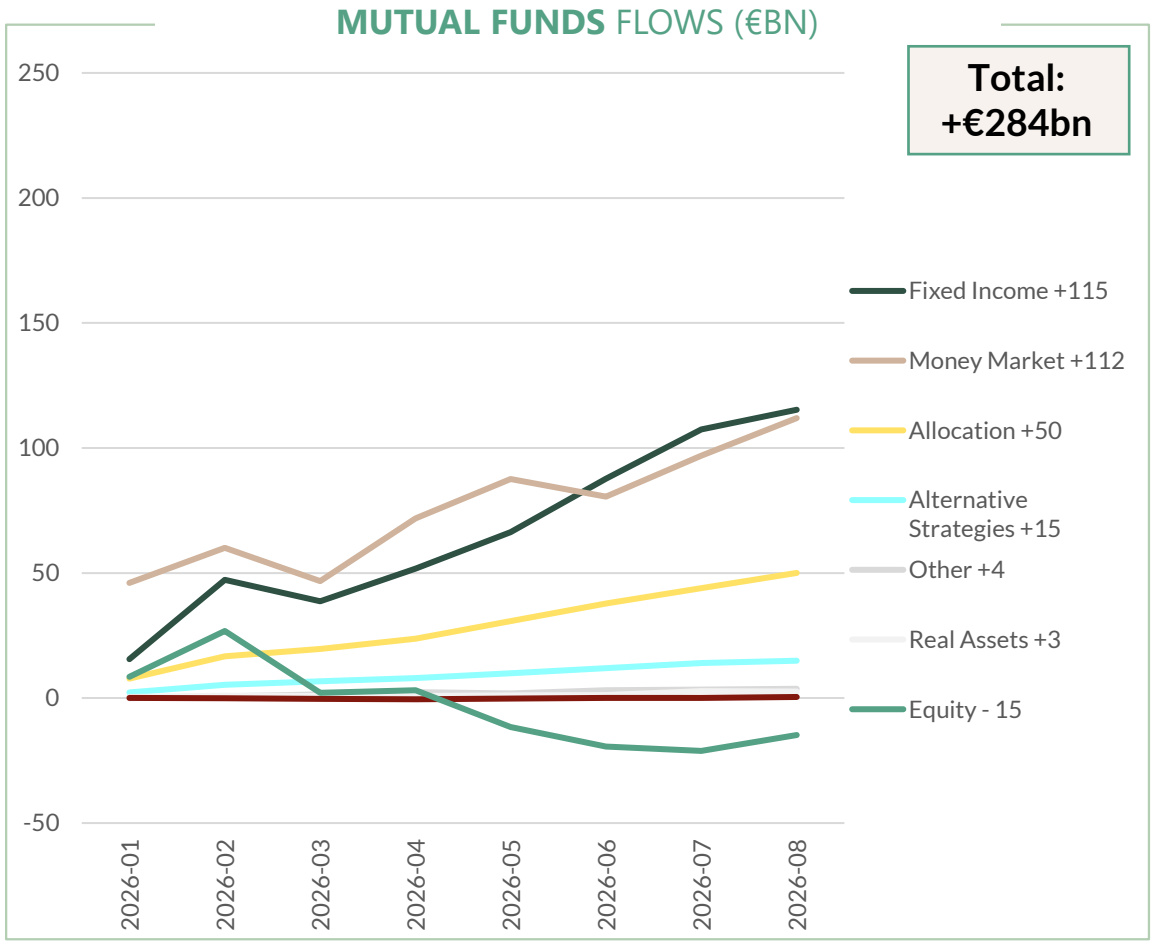
AUM evolution | Mutual funds & ETFs | YTD 2026

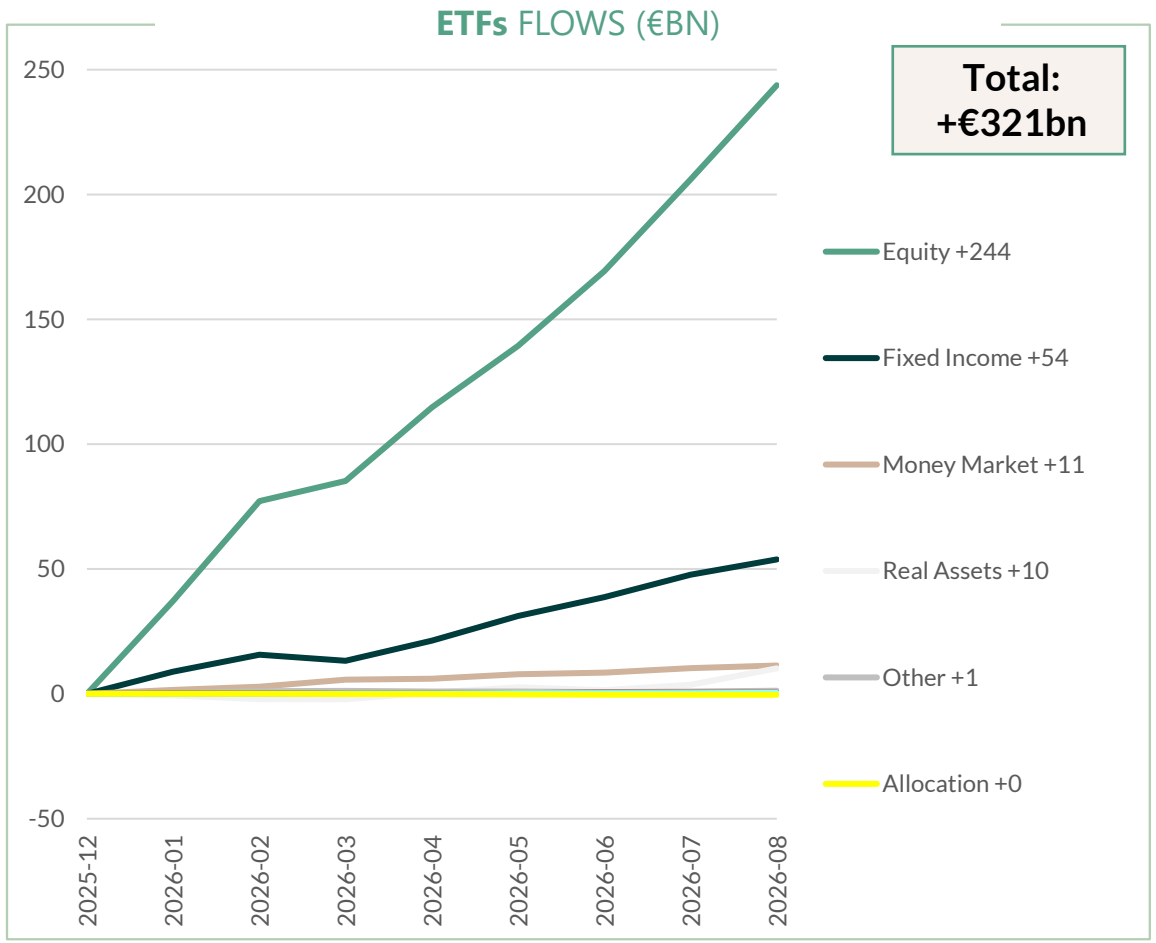




Source : Morningstar. Data as of 31/08/2026 (Europe OE & ETF & MM)

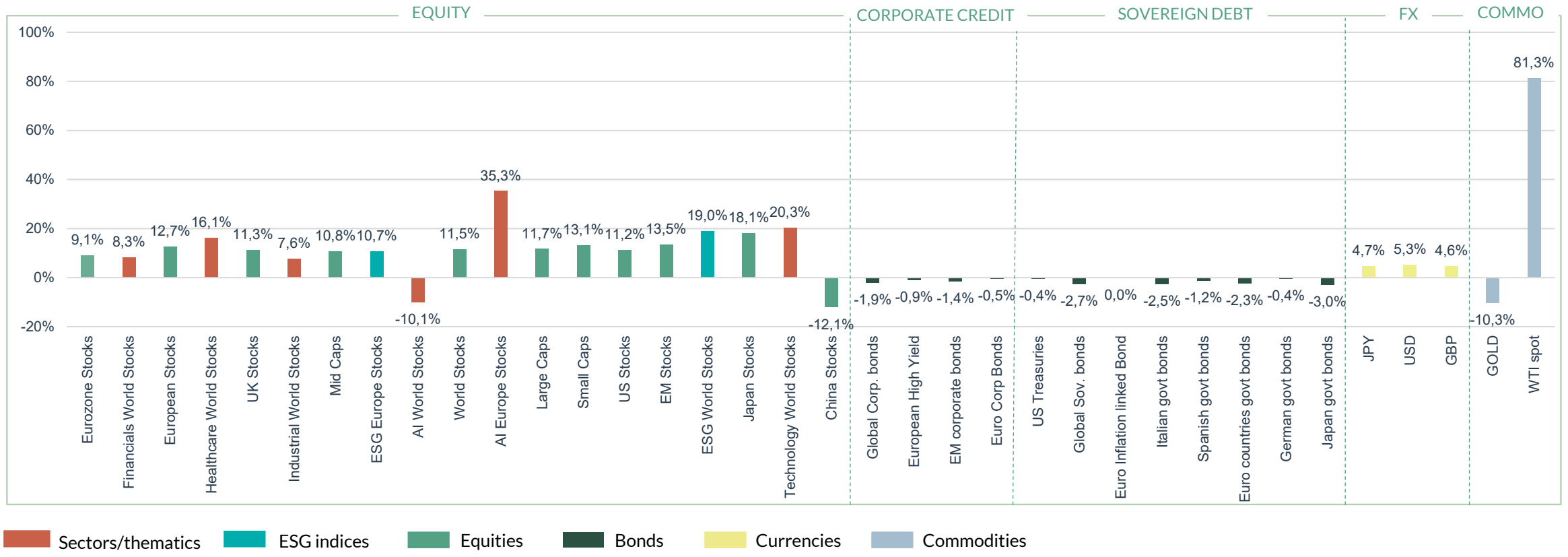
Flows evolution | Mutual funds & ETFs | YTD 2026



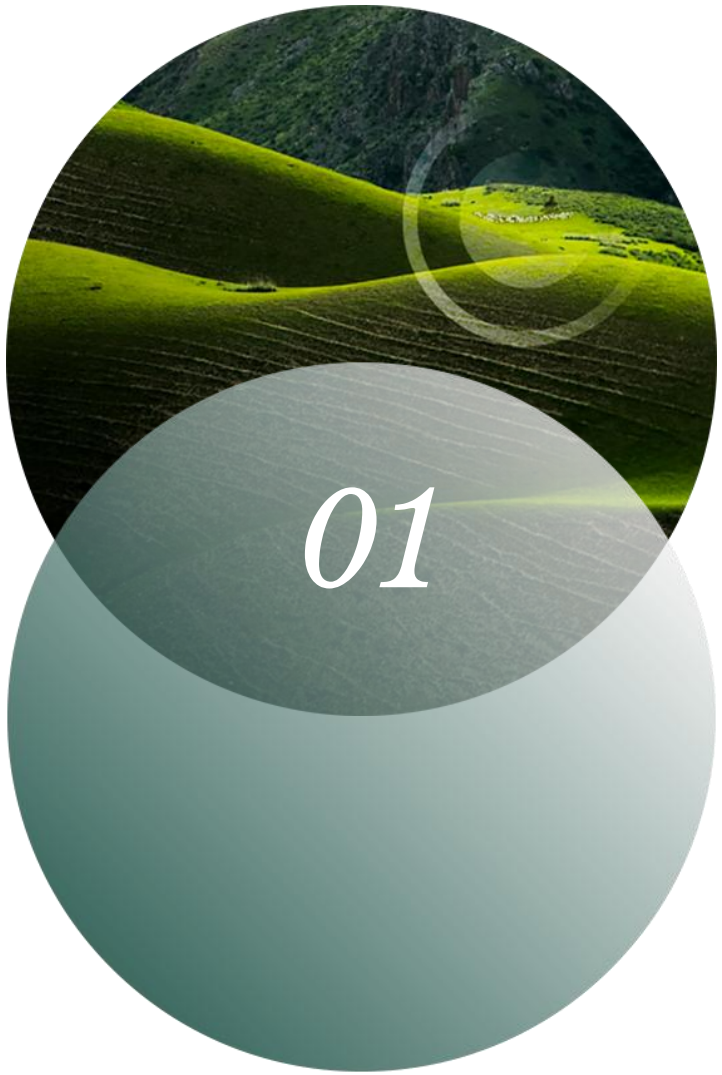


Source : Morningstar. Data as of 31/08/2026 (Europe OE & ETF & MM)

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 31/10/2026; performances expressed in local currencies

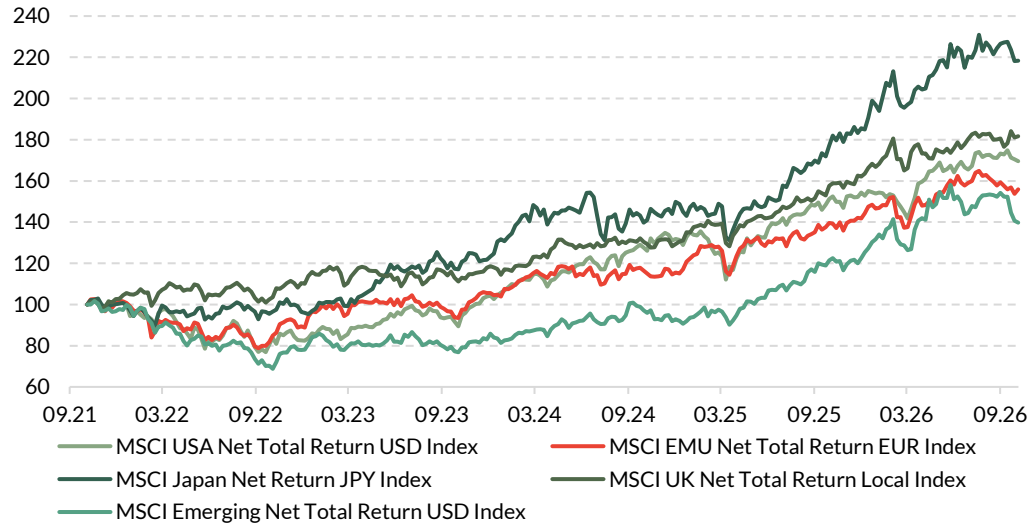


01 EQUITIES

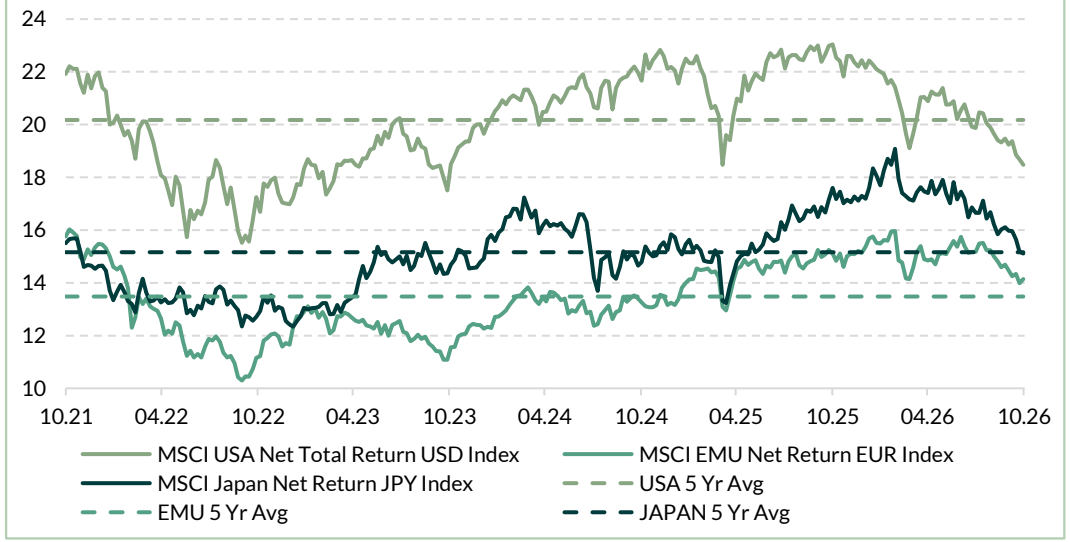
Equities

MAJOR INDICES IN DECLINE WITH SHARP ROTATION OUT OF TECH

5-YEAR EQUITY MARKET PERFORMANCE



5-YEAR PRICE/EARNING RATIO



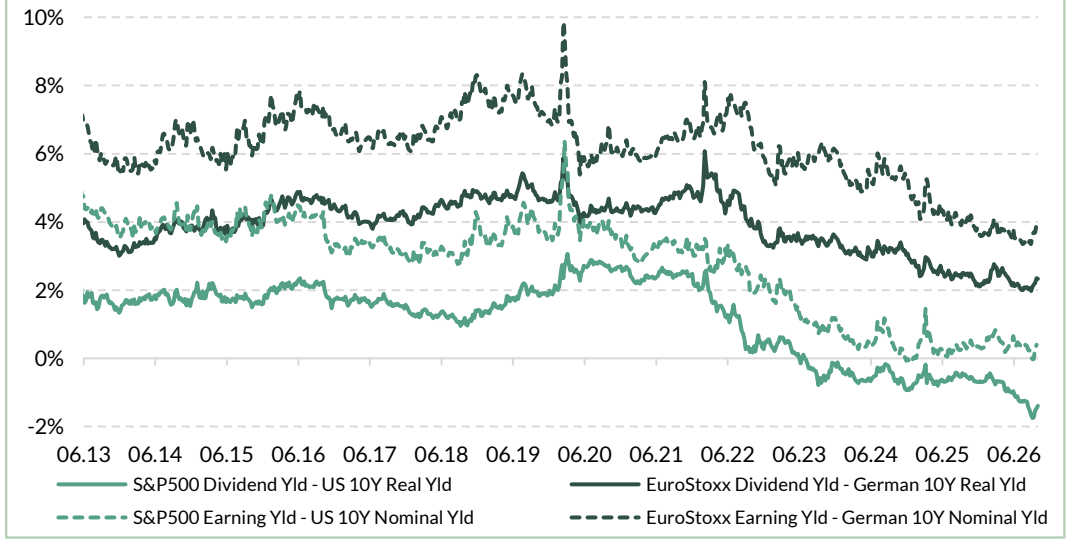
- October was marked by a noticeable deterioration in market sentiment, driven by growing concerns over the financing of the artificial intelligence ecosystem: the MSCI World Index lost by 0.8% in local currency, S&P 500 and Euro Stoxx fell by 0.9% and 1.5%, respectively.
- The technology sector significantly underperformed: the Nasdaq and the SOX Index declined by 6.6% and 15.3%, respectively

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 30/10/2026

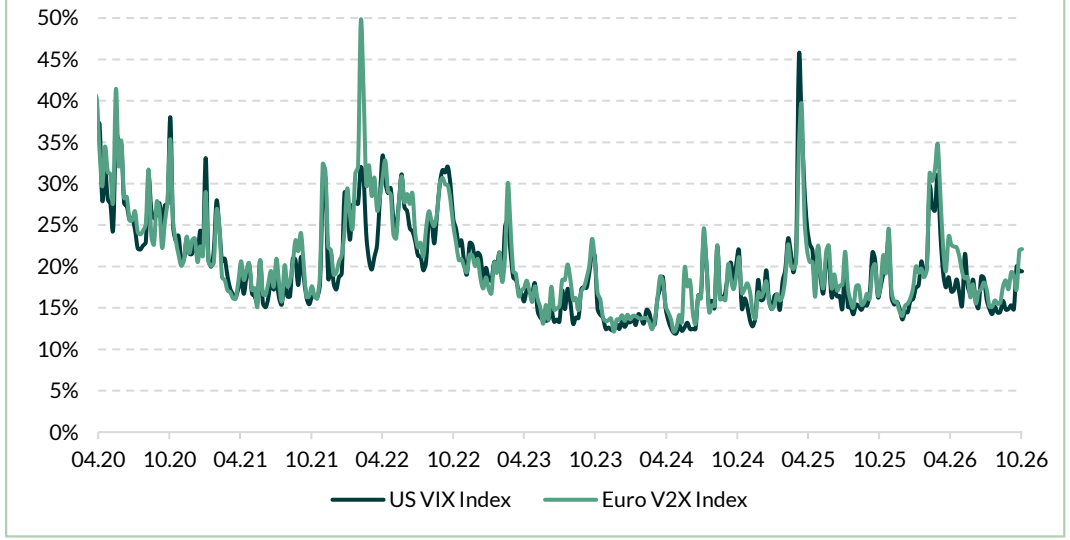
Risk premiums & volatility

VOLATILITY EDGING HIGHER AMIDST CHALLENGING EQUITY BACKDROP

EQUITY RISK PREMIUMS (NOMINAL AND REAL)



IMPLIED VOLATILITY INDEXES

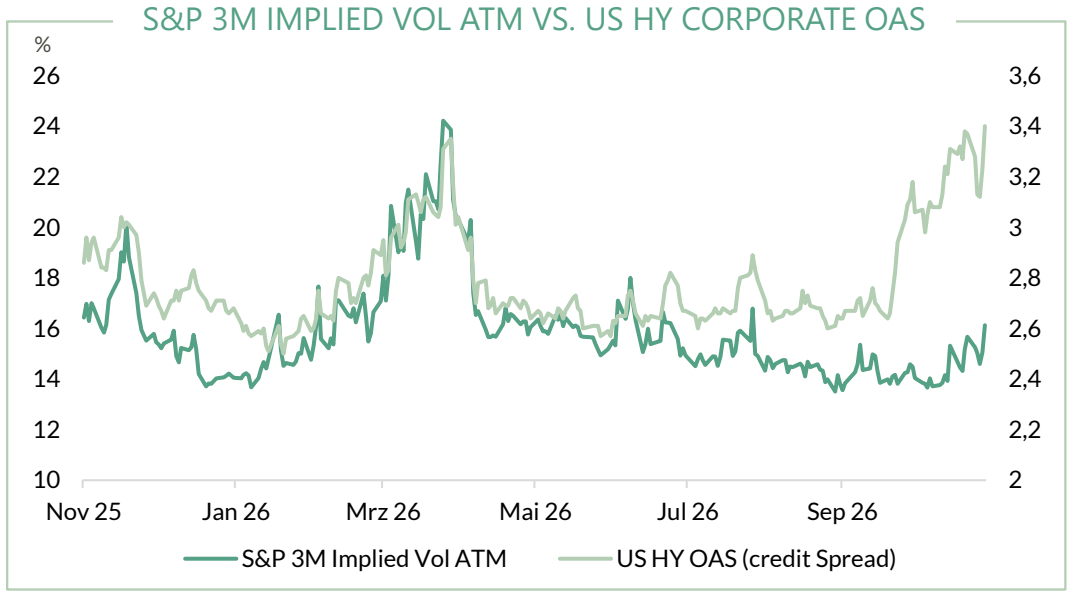


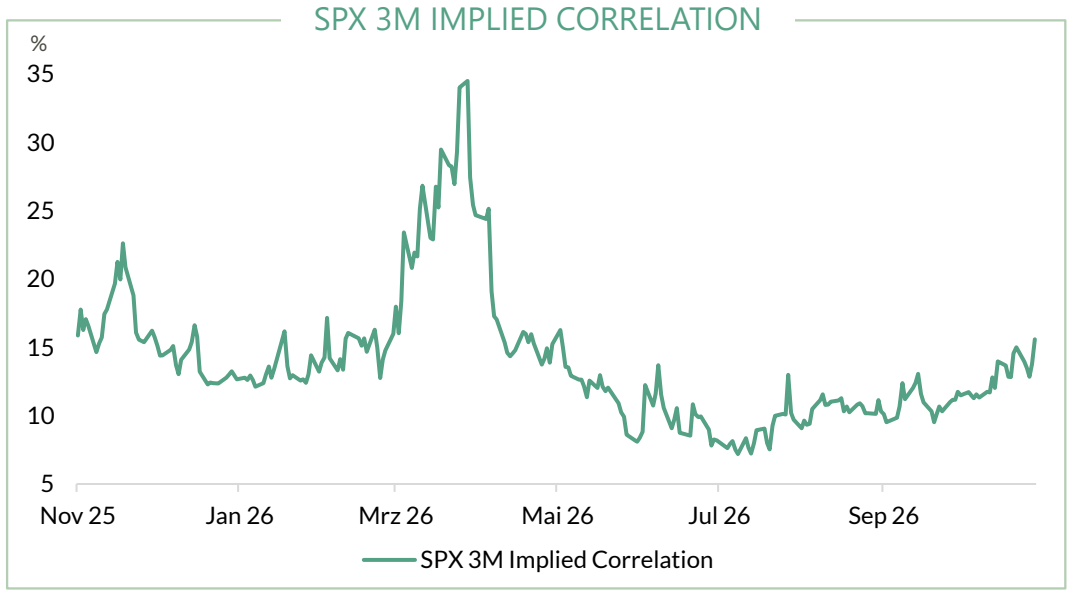
- With global bonds bouncing up over the month, and Equity valuation multiples slightly down, both US and European ERP widened modestly.
- In a backdrop of AI jitters, accelerated inflation and geopolitical escalation, VIX and V2X ended October materially higher than their end-September levels — VIX peaking intra-month at 20%. European implied volatility remained elevated vs. US' peers, exacerbated by French fiscal and political crisis

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 30/10/2026

Volatility & Implied Correlation

CREDIT SPREADS WIDEN AND CORRELATION NEAR ALL TIME LOW





- Credit spreads abruptly disconnected from equity stress, with HY US spreads hovering around March levels, while Equity index implied volatility remained quite muted.
- The current divergence, with overall correlation and IV subdued alongside relatively wide HY OAS, reflects a scenario where idiosyncratic risk is elevated but systemic risk remains contained.

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 30/10/2026

European equities – sectors overview

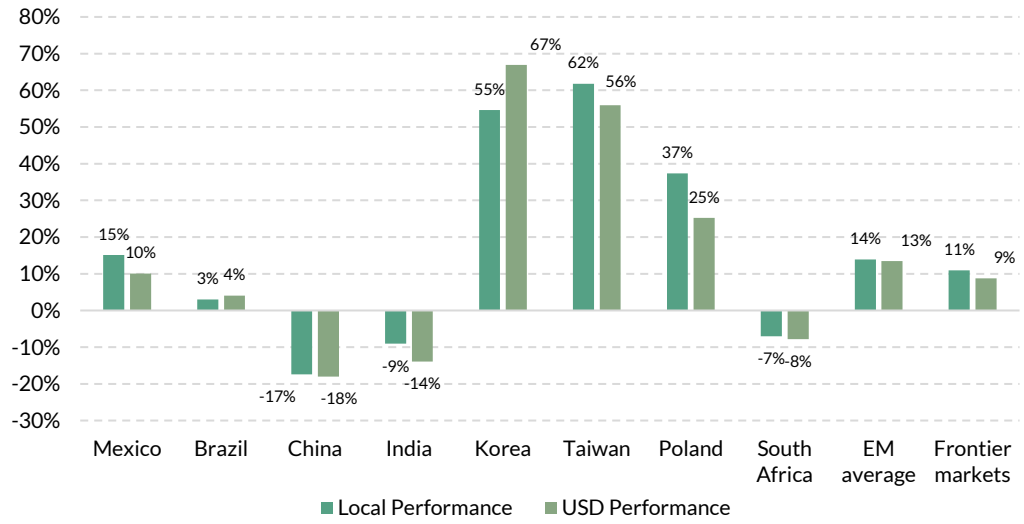
EUROPEAN SECTORS		PRICE PERFORMANCE		EPS GROWTH			VALUATION				
							P/E 12m	Div Yield	FCF Yield	EV/EBITDA	Price/Book
	%	1m %	YTD %	2025	2026	2027	12m	12m	12m	12m	12m
STOXX Europe 600		1.9%	9%	2%	21%	9%	13.8 x	3.4%	5.3%	9.3 x	2.2 x
Commodities											
Energy	6.5%	8.7%	46%	-17%	118%	-17%	10.0 x	3.6%	9.9%	4.8 x	1.8 x
Basic Resources	2.5%	-8.4%	11%	-6%	55%	18%	11.4 x	3.7%	6.8%	5.8 x	1.6 x
Cyclicals											
Automobiles & Parts	1.3%	-0.1%	-19%	-73%	197%	39%	8.5 x	4.5%	8.0%	6.8 x	0.5 x
Chemicals	2.3%	5.9%	21%	-9%	23%	6%	19.5 x	2.8%	4.4%	10.3 x	2.2 x
Construction & Materials	3.4%	2.6%	-4%	-16%	14%	13%	14.9 x	3.2%	6.6%	8.3 x	2.1 x
Industrial Goods & Services	15.3%	-2.7%	6%	2%	23%	14%	18.6 x	2.4%	4.9%	11.2 x	3.5 x
Media	0.7%	7.1%	-1%	-3%	2%	12%	12.2 x	3.8%	8.2%	7.9 x	1.7 x
Technology	9.0%	-3.5%	23%	5%	30%	28%	21.2 x	1.2%	3.9%	15.6 x	5.4 x
Travel & Leisure	0.9%	2.7%	1%	17%	-15%	18%	12.2 x	3.0%	6.8%	6.2 x	2.6 x
Consumer Products and Services	3.5%	3.5%	-13%	-2%	12%	13%	20.5 x	2.6%	4.6%	11.6 x	3.1 x
Financials											
Banks	13.9%	-10.3%	7%	10%	10%	15%	9.1 x	5.6%	-		1.3 x
Insurance	5.9%	6.8%	9%	14%	9%	6%	12.1 x	5.0%	5.3%		2.1 x
Financial Services	4.4%	4.3%	8%	9%	2%	3%	13.2 x	3.1%	4.9%		1.5 x
Real Estate	1.4%	3.4%	-7%	10%	7%	4%	13.3 x	5.2%	4.1%	18.5 x	0.7 x
Defensives											
Health Care	13.7%	13.8%	10%	8%	6%	10%	16.5 x	2.5%	4.9%	11.8 x	3.4 x
Food Beverage and Tobacco	4.8%	13.1%	11%	-3%	3%	8%	15.0 x	3.7%	6.2%	11.0 x	2.8 x
Personal Care Drug and Grocery Stores	1.9%	8.5%	5%	-3%	2%	8%	15.0 x	3.6%	5.9%	8.5 x	3.0 x
Retail	1.1%	6.7%	5%	4%	10%	11%	16.6 x	3.5%	5.8%	8.5 x	3.3 x
Telecommunications	2.7%	2.8%	9%	25%	19%	9%	13.8 x	4.3%	9.8%	6.2 x	1.7 x
Utilities	4.7%	5.9%	14%	9%	16%	7%	14.5 x	4.1%	-1.9%	9.1 x	1.9 x

Past performances are not a reliable indicator of future performances and are not constant over time
Sources: ODDO BHF AM SAS, Goldman Sachs, 02/11/2026

Emerging markets

EM UNDERPERFORMED DEVELOPED PEERS AS AI SENTIMENT DETERIORATED

YTD EQUITY PERFORMANCE ON MAJOR EMERGING MARKETS

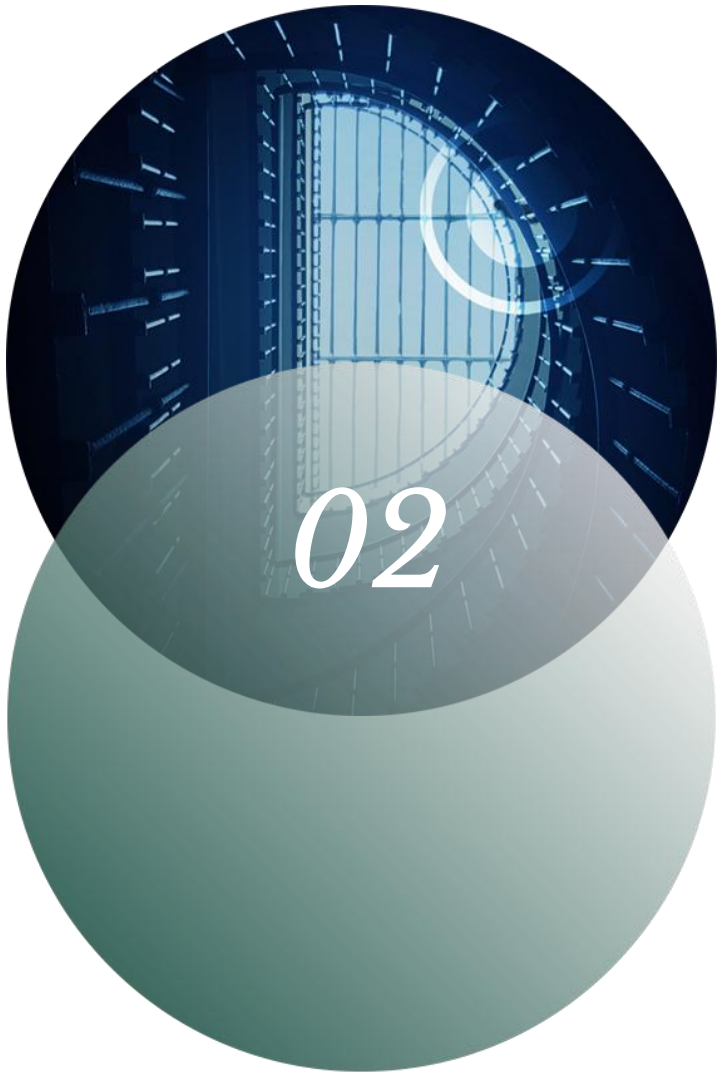


EM FWD P/E PREMIUM TO DM



- MSCI EM posted a substantial decline (-8%) in October, the worst monthly performance since March, significantly underperformed developed peers
- With the earnings season flagging AI monetization risk and US mid-term election creating another overhang, Korea and Taiwan underwent big sell-offs (-17% and -6% respectively)
- Besides tech, Brazil also saw a sharply negative market reaction after the surprising victory of Lula da Silva (MSCI Brazil -12%)

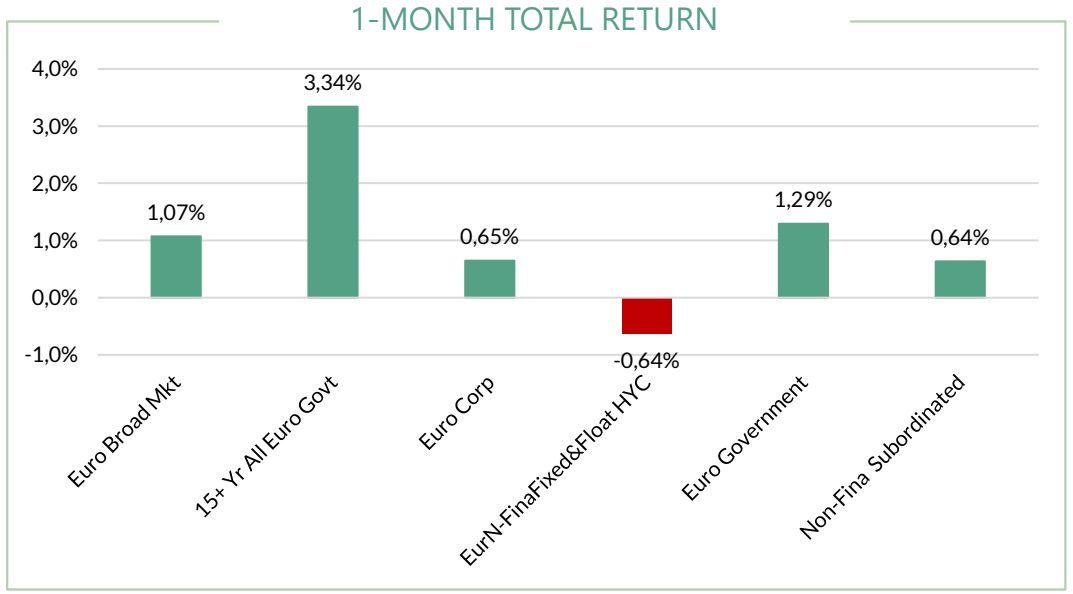
Past performances are not a reliable indicator of future performances and are not constant over time
Sources: ODDO BHF AM SAS, Bloomberg, JP Morgan | Data as of 30/10/2026

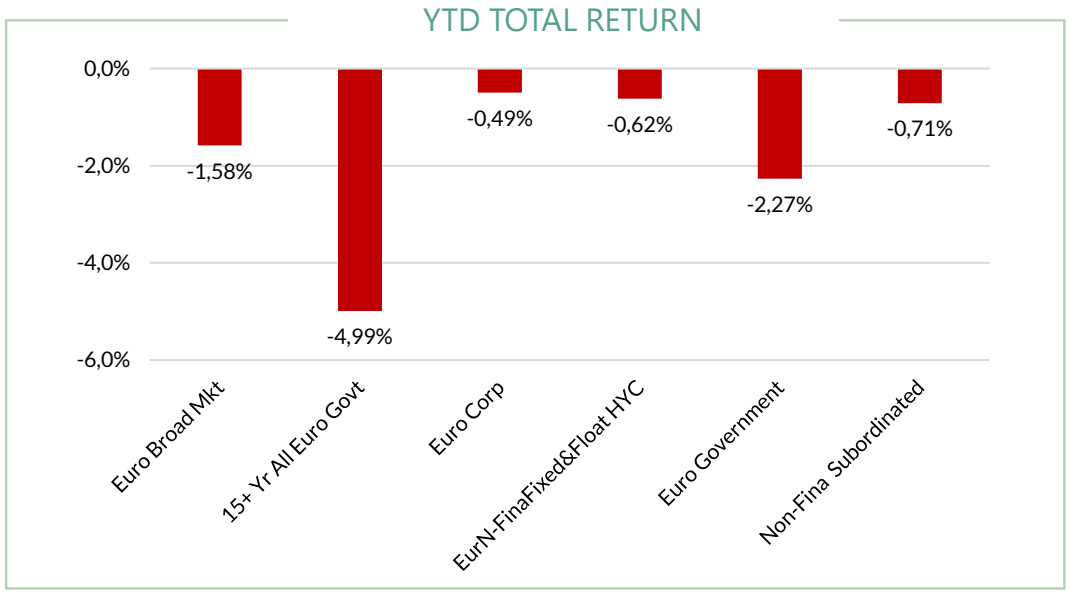


02

FIXED INCOME

Performance fixed income segments
SPREADS UNDER PRESSURE IN OCTOBER

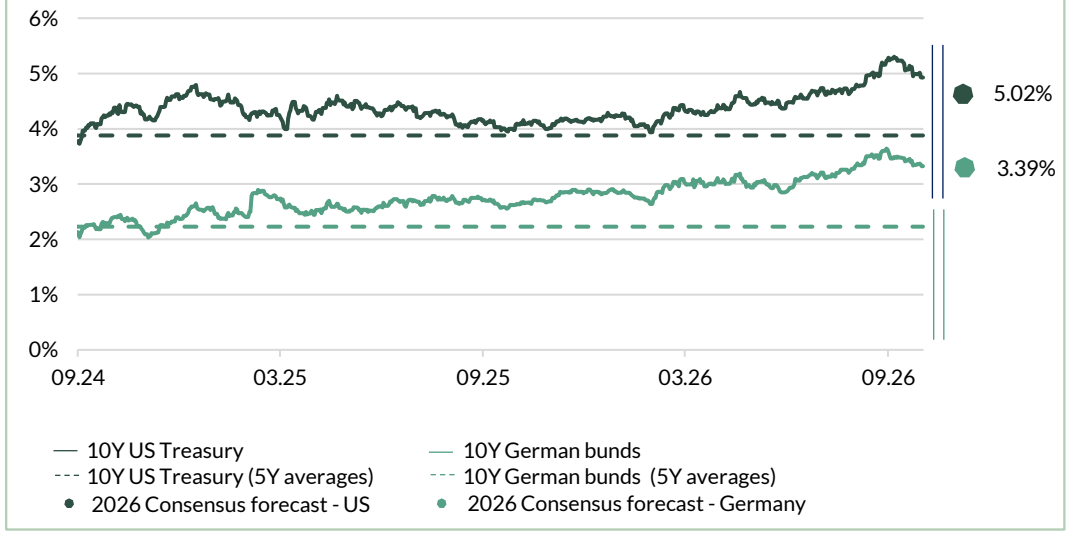




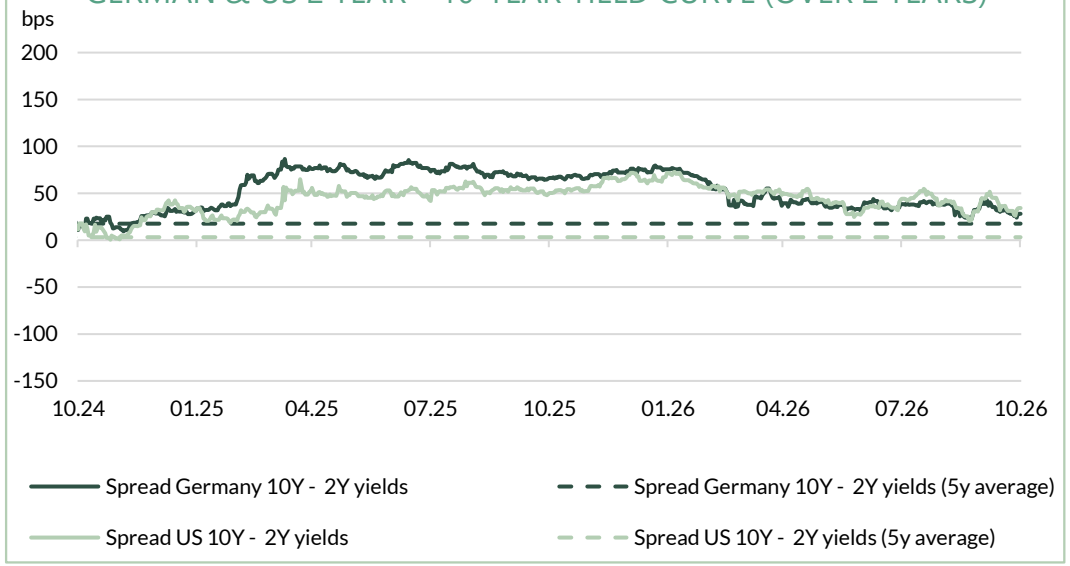
Past performances are not a reliable indicator of future performances and are not constant over time.
Source: ODDO BHF AM, Bloomberg, data as of 31/10/2026

Rates
WILL FLIGHT TO QUALITY ENDURE?

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



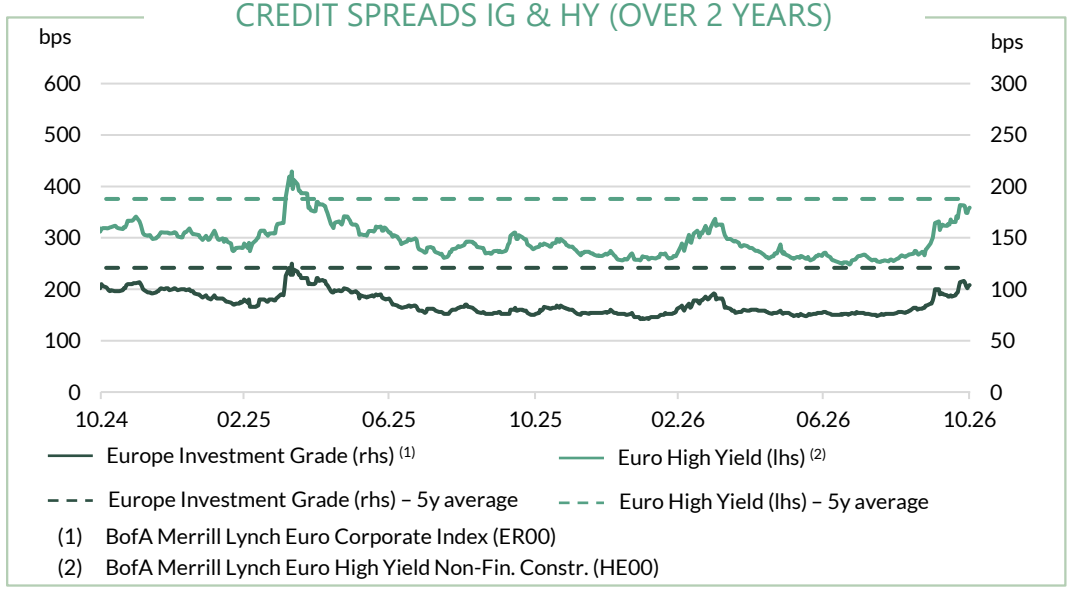
GERMAN & US 2 YEAR – 10-YEAR YIELD CURVE (OVER 2 YEARS)

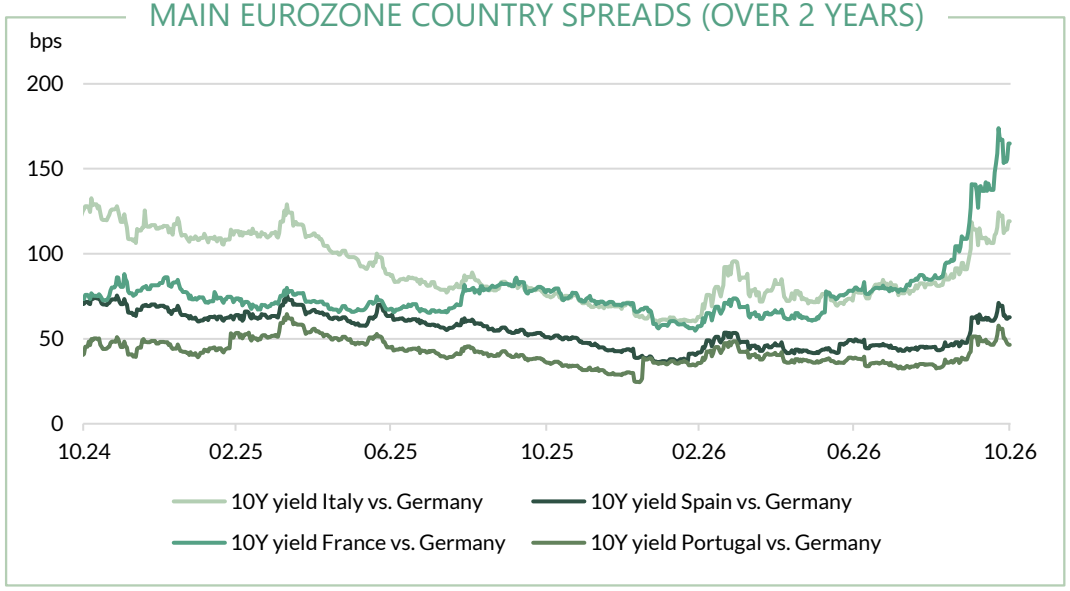


- Jitters over AI profitability and France debt sustainability sparked a safety move into Bunds and partly US-Treasuries which was absent for years
- 10-year Bunds receded by around 30bp, but face headwinds for now. The France situation is severe but now very well flagged and the runway to presidential elections is still long. Moreover, costs of being short are high. Additionally, inflation remains elevated for the time being and the economy is not poised for imminent weakness. Consequently, there might be better entry points for going long duration

Past performances are not a reliable indicator of future performances and are not constant over time.
Bloomberg Economic Forecast | Sources: ODDO BHF AM SAS, Bloomberg | LHS: Data as of 31/10/2026; RHS: Data as of 31/10/2026

Credit Spreads
MODEST WIDENING

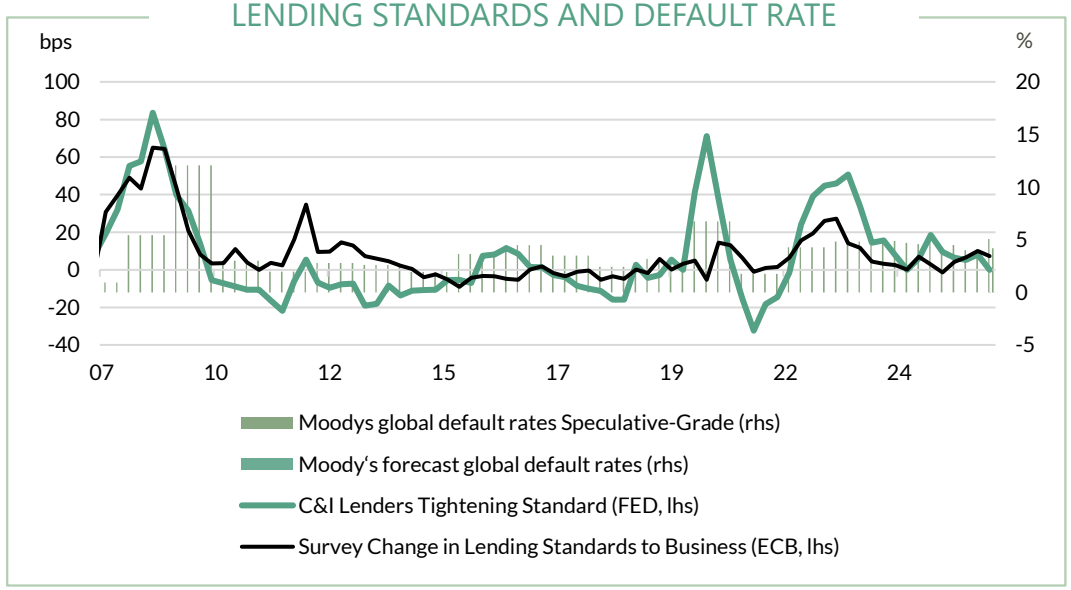


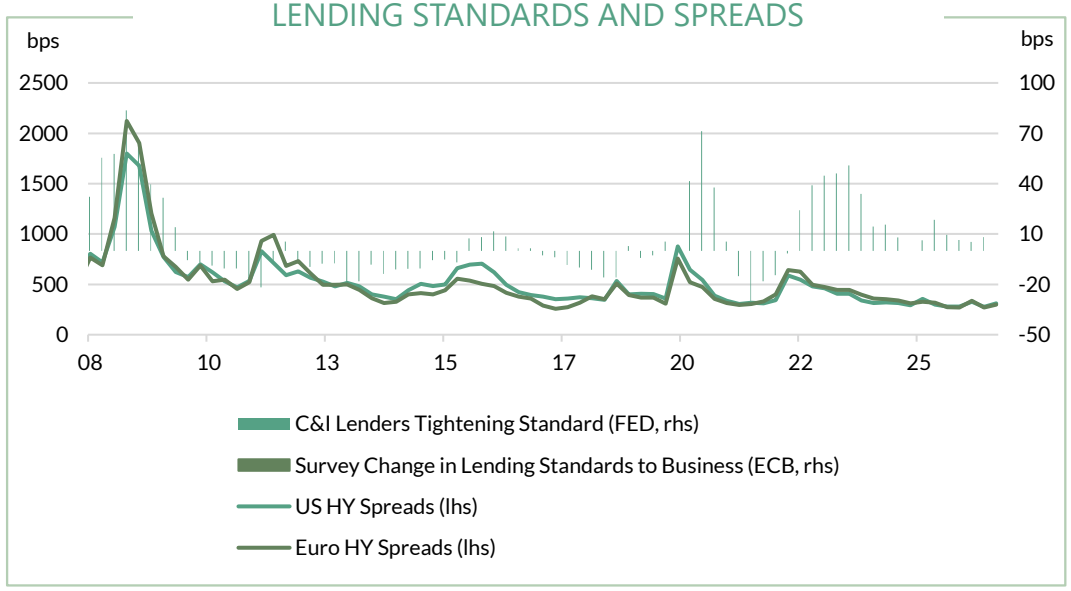


- Investment grade corporate bonds suffered slightly from different factors. French spread inflection, heavy hyperscaler supply and a whiff of general risk aversion drove spreads to above 120bp on the index level before recovering 10bp in early November
- In peripheral bonds dispersion was the name of the game. Spain and Portugal suffered relatively less after the first panic on sound fundamentals. We also view Greece spread widening as overdone because debt dynamics are still on a positive path. Also, Italy shows a positive primary balance which could buffer further spread blows
- High yield is the weakest link in the credit space and we remain underweight here

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 31/10/2026

Financial conditions
NOT SO AMPLE ANY MORE





- Credit lending has been reined it recently
- The momentum in financial conditions has been fading and turned negative in October

Sources: Fed, ECB, Bloomberg | Moody's as of 15/09/2026, Lending Standard & Survey Change as of 30/09/2026, Spreads as of 30/09/2026



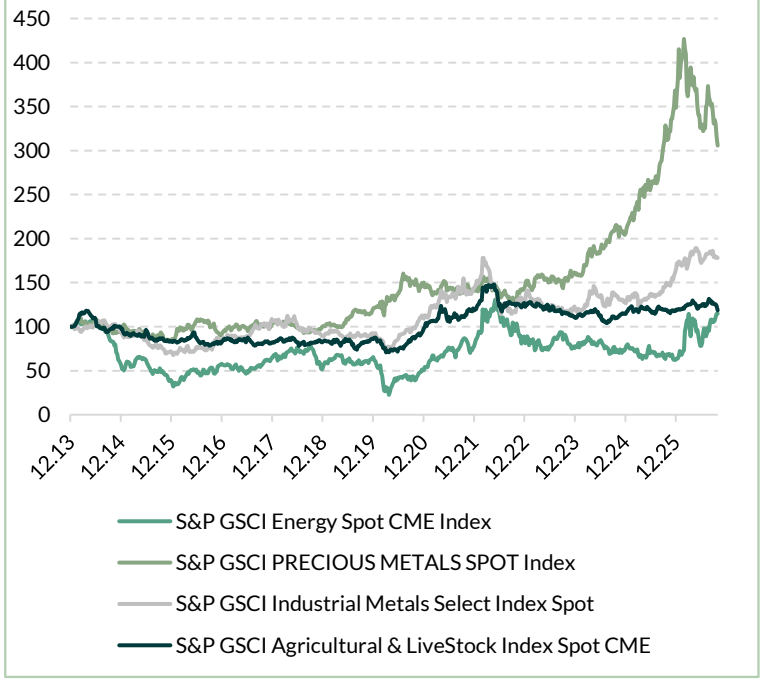
03

COMMODITIES & CURRENCIES

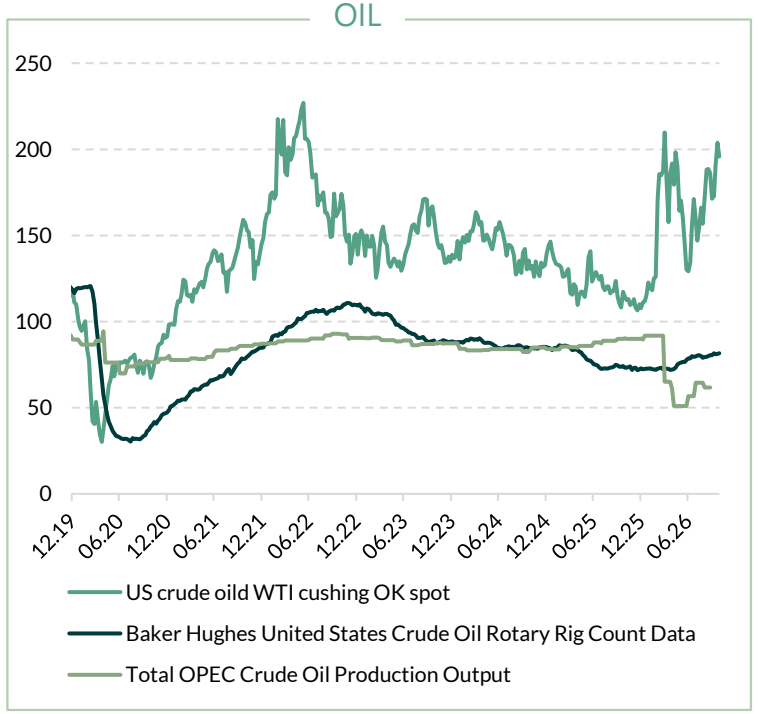
Commodities

OIL SURGED WHILE PRECIOUS METAL DECLINED

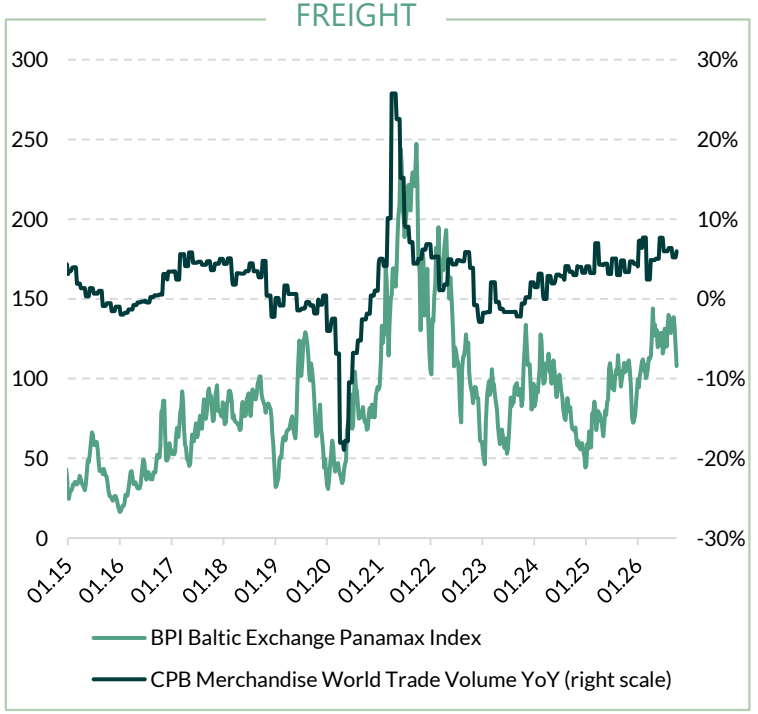
COMMO INDICES



OIL



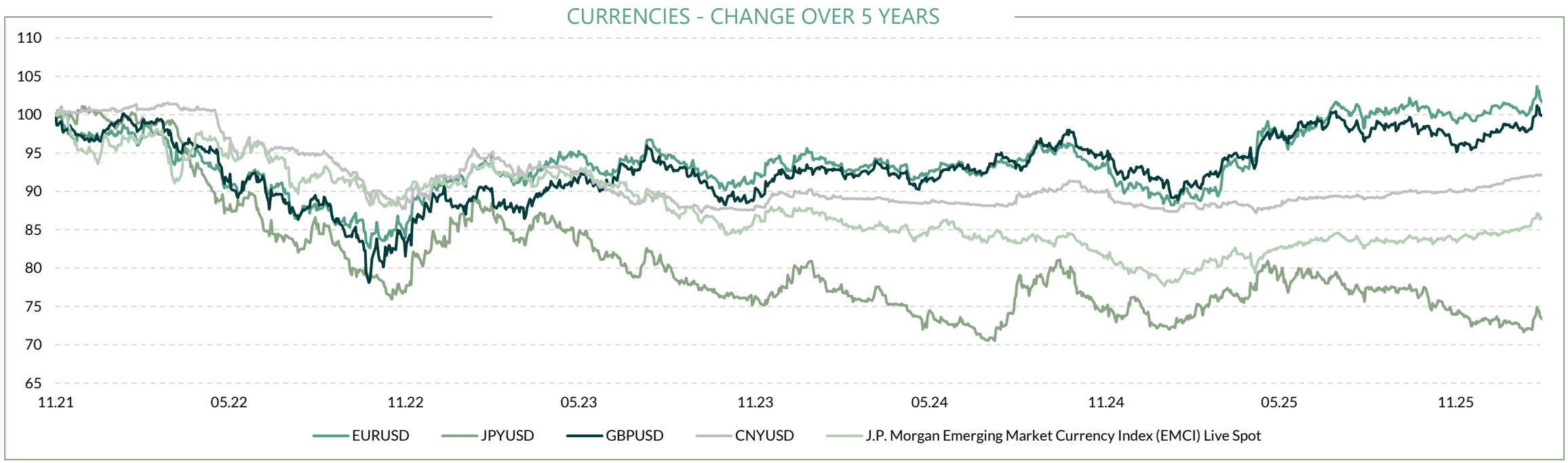
FREIGHT



- Crude oil surged sharply, with WTI +17.8% and Brent +19.3% in October, driven by severe supply disruptions tied to the US-Iran threats.
- The dominant theme across commodity markets in October was the US-Iran war and its cascading effects on energy supply chains, which drove an extreme divergence between energy and all other sub-sectors (precious metals, industrial metals and agriculture).

Past performances are not a reliable indicator of future performance and are not constant over time.
Sources: Bloomberg, ODDO BHF AM SAS, JP Morgan | Data at 30/10/2026

Currencies
DOLLAR STRENGTHENS

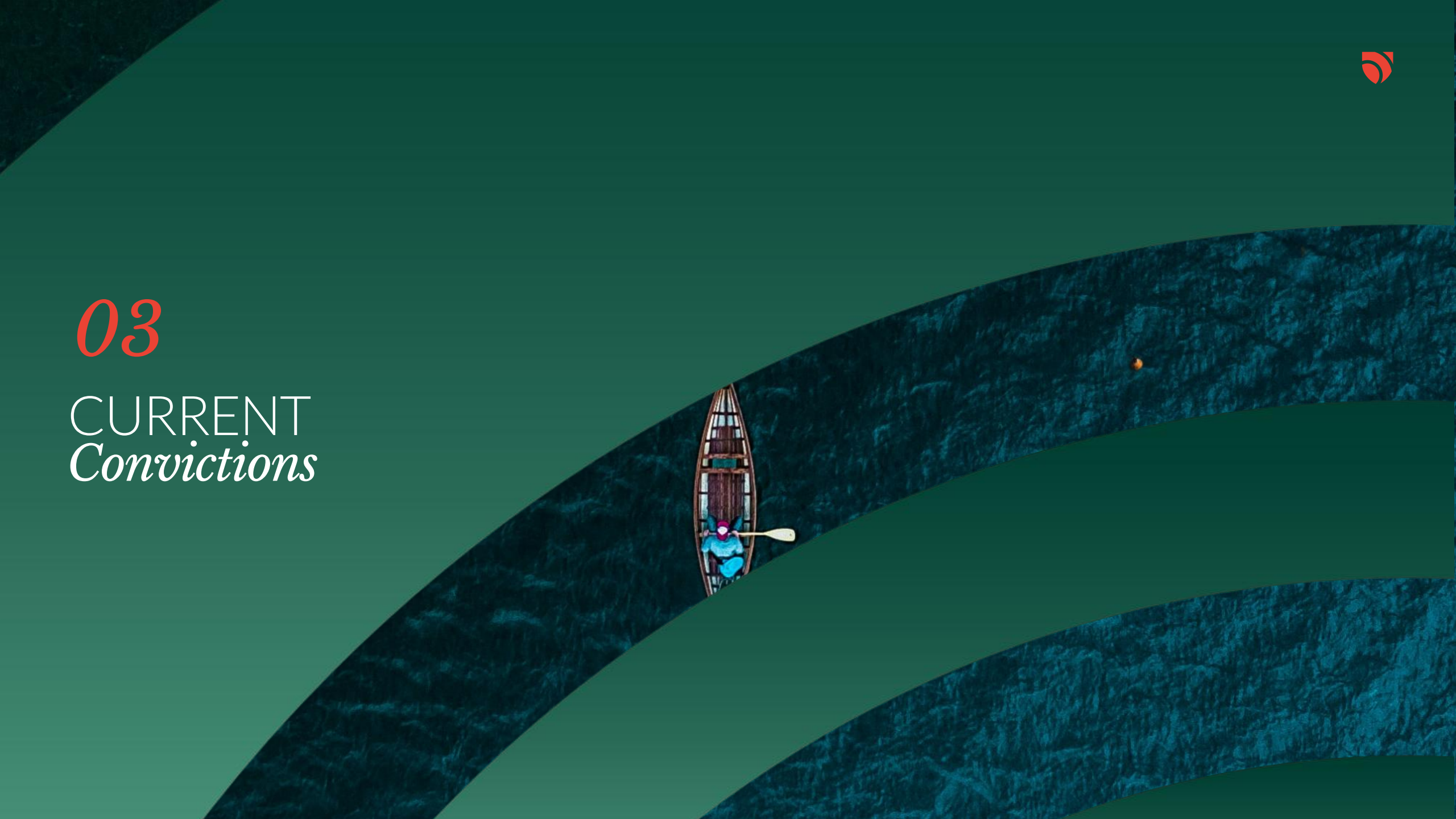


- With a hot US CPI and hawkish Fed, the USD was the dominant force in October, hitting its highest level since May 2025.
- GBP was the standout outperformer this month (+1,5% vs. USD), following a recovery after UK Budget uncertainty cleared.

Past performances are not a reliable indicator of future performance and are not constant over time.
Sources: Bloomberg, ODDO BHF AM SAS, JP Morgan | Data at 03/11/2026

03

CURRENT *Convictions*



Scenarios
OUR 6-MONTH VIEW

01 Central scenario

The war in Iran and the recent disruptions to supply chains for oil, gas and other crucial commodities led to an increase in inflation worldwide and slightly impaired the growth outlook. However, the risk of second-round effects might be limited given the lack of excessive demand, wage tensions and a responsive monetary policy. Therefore, the spike in inflation might be contained and temporary. Central banks are in a neutral to slightly hawkish stance. The extent of the growth slowdown might be limited as the economy is adapting to the disruptions in the Gulf. Overall macroeconomic and political uncertainty is high. Corporate earnings are supportive. The long-term trends in technology and artificial intelligence remain intact.

EUROPE

- Growth expectations are mixed given fiscal stimulus programs but a high energy dependency.
- Inflation picked up leaving the ECB with a slightly hawkish tilt.

US

- Growth dynamics remain at a positive rate. Long-term growth trends in artificial intelligence support GDP growth.
- Inflation increases slightly because of tariffs and the oil price shock. The Fed shifted to a slightly hawkish stance.

STRATEGY	OVERWEIGHT	UNDERWEIGHT
▪ Slightly long equities ▪ Neutral duration ▪ Slightly long credit risk	▪ Overall equities ▪ Short duration Investment Grade and High Yield ▪ Gold and base metals	▪ Eurozone equities ▪ Semi-core government bonds ▪ Long duration High Yield in Europe and the US

60%

02 Alternative scenario #1

Adverse scenario

- Growth slowdown resulting in a recession given long-lasting disruptions to energy supply and crucial commodities.
- Sentiment in artificial intelligence bursts and valuations are declining.
- Inflation increases strongly despite a weaker economic outlook.
- Long-term interest rates increase amid fiscal worries and inflation.
- Geopolitical risks remain permanently

OVERWEIGHT
- Money market
- Short duration IG

UNDERWEIGHT
- Equities
- High Yield

30%

03 Alternative scenario #2

Upside scenario

- Sustainable resolution to geopolitical risks and no supply chain disruptions in the Gulf and Strait of Hormuz.
- Growth dynamics accelerate.
- Central banks move back to an accommodative stance on substantial relief from inflation.
- No sovereign stress.

OVERWEIGHT
- Equities
- High Yield

UNDERWEIGHT
- Government bonds
- Money market

10%

Source: ODDO BHF AM, as of 28/10/2026

Global Equities

Change from last GIC meeting

		UW	Neutral	OW	Key Messages
Overall Portfolio	Active Risk			1	More constructive after recent repricing
Regions	DM			1	
	US			1	US stocks improved relatively on a fundamental basis
	Eurozone	-1			
	UK		0		Cheap valuation, big energy sector, good dividend yield
	Switzerland		0		
	Japan		0		
	EM		0		
	China		0		
	Asia Ex-China			1	More constructive after recent repricing
	LatAm		0		Opportunities in some markets like Brazil
Factors	Large vs. Small			1	
	Growth vs. Value			1	Preference for growth stocks
	Cyclical vs. Defensive		0		
	Momentum vs Low vol		0		

Source: ODDO BHF AM, as of 28/10/2026

Fixed Income: Government Bonds

Change from last GIC meeting

		UW	Neutral	OW	Key Messages
Overall Portfolio	Active Duration		0		Neutral to slightly cautious, elevated macro uncertainty
Government Bonds	US		0		FED likely to hike more, largely priced in, geopolitical uncertainty
	Core Europe		0		Further gradual hikes likely, full 2-3 hikes through 2027 difficult to deliver
	Semi Core Europe	→ -1			UW France, less negative, current spread better reflect fundamentals
	Peripheral Europe		0		OW Spain, neutral Italy & Portugal
	Switzerland	-1			Negative or weak yield as deficit and inflation are close to 0%
	UK		0		
	Japan		0		
Emerging Markets	Hard Currency		0		
	Local Currency		→	1	Diversification, higher carry, low duration, local opportunities (e. g. Brazil)

		Flattener	Neutral	Steepener	
Curve Positioning	US 2/10yrs		0		
	US 10/30yrs		0		
	Core Euro 2/10yrs		0		
	Core Euro 10/30yrs		0		

Source: ODDO BHF AM, as of 28/10/2026

Fixed Income: Credit

Change from last GIC meeting

		UW	Neutral	OW	Key Messages
Overall Portfolio	Active Risk			1	Long carry, focus on higher quality segments
IG Credit Risk	Seniors EUR			1	Solid credit profiles, positive rating trend, stable operational trend
	Subs. EUR	-1			Decompression could continue, limited relative value vs seniors
	Short Duration EUR			1	Lower volatility, very attractive yield
	Switzerland			1	
	US		0		Hyperscaler bond supply could impact spreads over the medium term
HY Credit Risk	HY Benchmark EUR	-1			Fundamental environment mixed, tight valuations
	Short Duration EUR			1	Lower volatility, attractive yield
	US	-1			Fundamental environment mixed, tight valuations
Money Market	Euro		0 ←		Invest cash in equities

Source: ODDO BHF AM, as of 28/10/2026

FX & Commodities

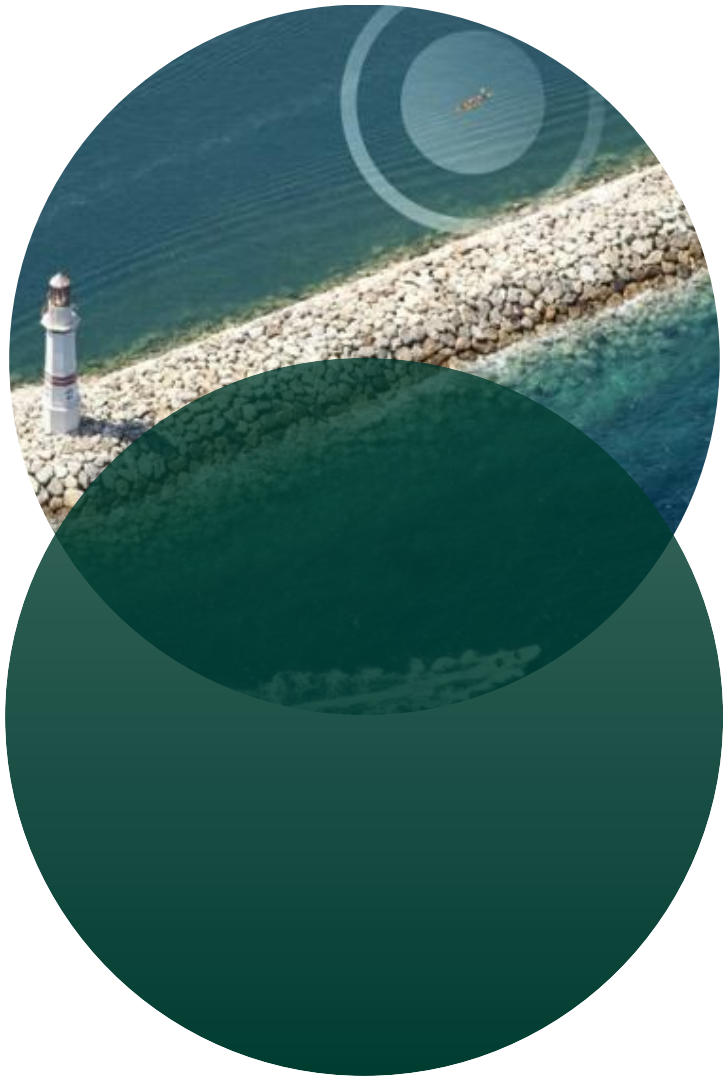
Change from last GIC meeting

		UW	Neutral	OW	Key Messages
Currencies	EUR/USD	-1			Stronger growth momentum in US + Europe sovereign risk premium
	EUR/GBP	-1			Long GBP
	EUR/JPY	-1			Long JPY, on BoJ rate hikes expectations
	EUR/CHF	-1			Long CHF
Commodities	Gold			1	Reserve diversification by EM central banks
	Base Metals			1	Demand coming from energy transition. Favor Copper and aluminum
	Oil		0		Balance between geopolitical risks and normal equilibrium

Source: ODDO BHF AM, as of 28/10/2026

04

OUR FOCUS SOLUTION:
ODDO BHF GLOBAL NAVIGATOR



ODDO BHF GLOBAL NAVIGATOR

The **ODDO BHF GLOBAL NAVIGATOR** fund is authorised for sale in the following countries: **France, Germany, Luxembourg, Belgium and Italy**. It is not authorised for sale outside these countries.

Main characteristics
ODDO BHF GLOBAL NAVIGATOR

Morningstar Quartiles[1]

Q1 YTD | Q1 1Y

KEY CHARACTERISTICS

Inception Date
August 2025

AuM
€ 141 M

SFDR[2]
Article 6

Benchmark
60% MSCI AC World Index NR + 40% Bloomberg Global Aggregate Bond Index

Geographic area
Global

SRI[3]
1 2 **3** 4 5 6 7

INVESTMENT STRATEGY SUMMARY

- ODDO BHF Global Navigator is an actively managed multi-asset strategy designed to help investors navigate through the complexities of global markets
- The fund offers a global, flexible allocation across asset classes, regions, sectors, and investment styles with a portfolio of carefully selected UCITS, in particular ETFs
- It includes a proven investment process built on deep asset allocation expertise, with the flexibility to quickly adapt to changing market conditions
- It seeks to achieve a superior risk-adjusted return over its investment horizon through large diversification and disciplined risk management
- Minimum recommended investment horizon: 5 years

WHY INVEST IN OUR FUND?

1. **Globally diversified portfolio of equities, bonds, and commodities through carefully selected ETFs**
2. **A fully flexible approach – with no structural bias towards any region, sector or style – with the aim to participate in emerging or leading trends and global opportunities**
3. **Team of investment experts with long-standing track-record in managing global allocation funds and fund of funds – combining proven expertise with competitive costs via ETFs**

MAIN RISKS

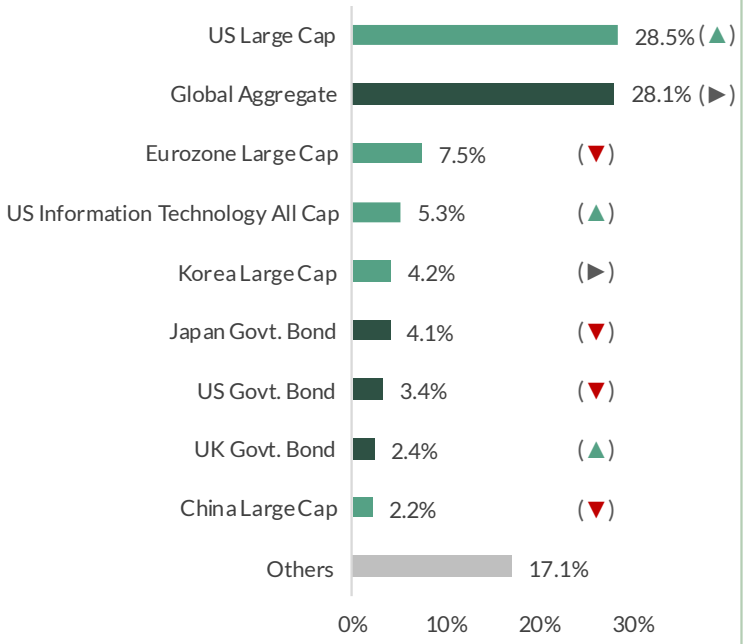
Risk associated with discretionary management, risk of capital loss, interest rate risk, equity risk, credit risk, emerging countries risk

There is no guarantee that the investment objectives will be reached. For detailed information, please refer to the prospectus. It doesn't constitute an investment recommendation. The fund bears a risk of capital loss. Past performance is not a reliable indication of future returns and is not constant over time.

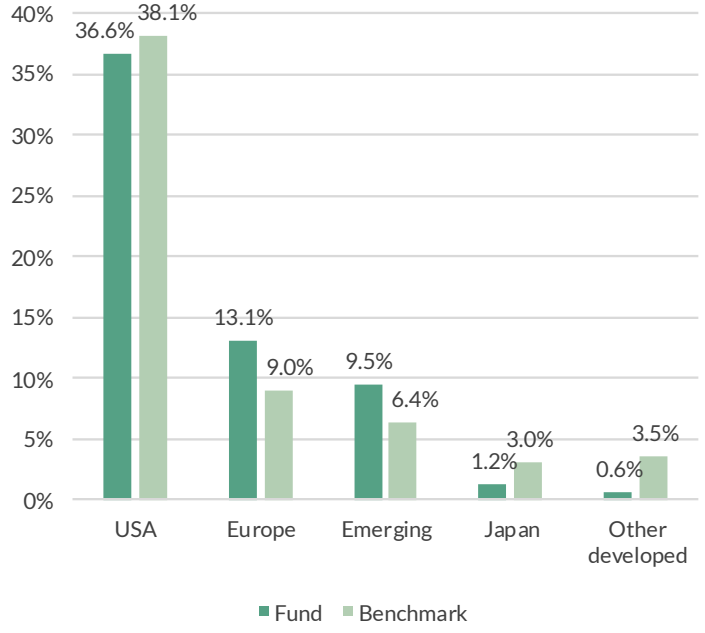
Source: ODDO BHF Asset Management. Data as of 30/10/2026 | [1] CRw-EUR share class, Morningstar Category: EUR Moderate Allocation - Global. | [2] A definition of SFDR can be found on page 42 (Glossary). | [3] Synthetic risk indicator in a range between 1 (lowest risk level) and 7 (highest risk level). This indicator is amended accordingly if there are changes in the risk and earnings profile of the fund.

Our portfolio
ODDO BHF GLOBAL NAVIGATOR

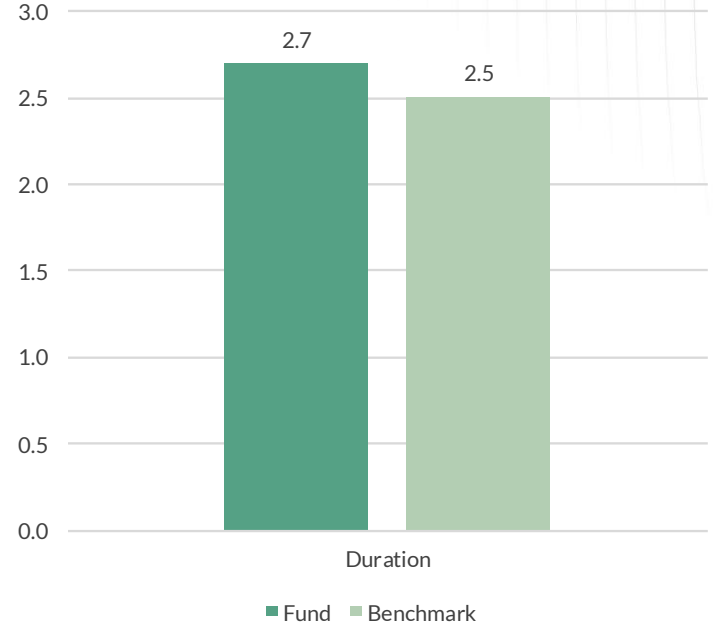
BREAKDOWN BY SEGMENT



EQUITY BUCKET: GEOGRAPHICAL EXPOSURE



FIXED INCOME BUCKET: DURATION



(▲) (▼) (►) Change compared to the previous month

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Source: ODDO BHF AM SAS. Data as of 30/10/2026. | **Data** in % of total asset. Current equity and bond quotas are net of hedging instruments as of 30/10/2026. Applicable instruments for hedging are among others, futures or options on futures. Please refer to the prospectus for further details.

Our positioning
ODDO BHF GLOBAL NAVIGATOR

FUND COMMENT

October was marked by a significant deterioration in market sentiment, fuelled by growing concerns about the financing of the artificial intelligence ecosystem. The sharp stock market correction affecting certain players in the sector, notably CoreWeave, reignited concerns about the sustainability of the business models of "neoclouds", whose growth relies on massive debt-financed investment. These fears led to a rise in risk aversion and resulted in a widening of credit spreads, particularly in the segments most exposed to the technology sector.

Against this backdrop, the US and German sovereign bond markets served as safe havens, even though price pressures persist. In the United States, inflation stood at 3.7% at the end of September, while in the Euro Zone, price rises stood at 3.8%. Nevertheless, the main central banks opted to maintain the status quo at their meetings this month, presumably on the view that the tightening of financial conditions observed in the markets was already helping to curb economic activity and limit future inflationary risks. While the cycle of monetary tightening does not appear to be over, central bankers clearly preferred to allow themselves more time to assess the effects of the rate rises already implemented. It should be noted, however, that money markets continued to price in around 50 bps of further tightening on both sides of the Atlantic.

From a microeconomic perspective, the earnings season confirmed the resilience of corporate profits, although the positive surprises proved less spectacular than in previous quarters. In the United States, nearly 80% of the companies that published their earnings exceeded analysts' expectations, with annual profit growth of 29%. In Europe, 57% of companies reported results that exceeded consensus estimates, while year-on-year profit growth stood at 35%. From a geopolitical perspective, tensions in the Middle East remained a major source of uncertainty. In the run-up to the US mid-term elections, Donald Trump continued to use particularly aggressive rhetoric towards Iran, fuelling fears of a worsening of regional tensions. Against this backdrop, oil prices continued to rise, with WTI closing the month at USD 104 a barrel.

The MSCI World Index, expressed in local currencies, fell by 0.8%, in line with the major developed markets, with the S&P 500 and the EURO STOXX 50 losing 0.9% and 1.5% respectively. Behind this apparent stability in the indices, however, sectoral variations were particularly pronounced. The technology sector underperformed significantly, weighed down by concerns over the sustainability of spending on artificial intelligence. The Nasdaq and the SOX index thus fell by 6.6% and 15.3% respectively over the month. By contrast, the equally-weighted S&P 500 index rose by 5%. In the bond markets, the yield on the 10-year US Treasury fell by 35 bps to 4.93%, while the yield on the 10-year German Bund fell by 26 bps to 3.32%. However, concerns over the French budget persisted and led to a significant widening of the yield spread between the French OAT and the German Bund, which now stands at over 160 bps. On the European credit market, investment grade spreads widened by 14 bps (to 105 bps), while the high yield segment ended the month at 365 bps, up 6 bps. Finally, on the foreign exchange market, the euro was shunned by investors and fell by 1.5% against both the dollar and the yen.

Within the portfolio, the fall in equity markets, combined with strong corporate earnings, led us to gradually increase our exposure to equities, particularly in the technology sector, which we believe is now trading at attractive valuation levels relative to earnings. The weighting of equities thus stood at 61% at the end of the month, following the purchase of NASDAQ futures contracts and the increase in US equities via the iShares S&P Information Technology Sector ETF. The technology bias within the Korean equity holdings also remained in place (this exposure now accounts for 4.3% of the portfolio). In the bond component, exposure was reduced to 41% following profit-taking on positions in Schatz futures. At the same time, we established an exposure to Brazilian sovereign bonds following the sharp correction in the bond market that followed Lula's election, where the yield to maturity now stands at around 15% (in BRL), a level we consider particularly attractive given the risk-return profile on offer. The portfolio's duration therefore stands at 2.7 years, compared with 2.5 years for its benchmark index.

INVESTMENT TEAM



Matthieu BARRIERE, CFA
Deputy Head of Asset Allocation



Arthur TONDOUX, CFA
Portfolio Manager - Analyst

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Source: ODDO BHF AM SAS. Data as of 30/10/2026. | The definitions of Investment Grade and High Yield can be found on page 42 (Glossary). | **Commentary written on 30/10/2026.**

Our latest publications



INVESTMENT STRATEGIES

Sept. 26	• In the triangle of uncertainties
Jan. 26	• 2026: What now? Will the bubble burst or will the bull market continue
Sept. 25	• Safety ropes recommended
Jan. 25	• The US: An Artificial Paradise?



VIDEOS

#FocusOn	• Active ETFs: A global trend that is gaining momentum in Europe
#OnDemand	• Private Assets Academy



MARKET VIEWS

12.11.26	• The liquidity challenge hampering Europe's tech ambitions
21.10.26	• The changing face of global venture capital
09.10.26	• Why invest in private technology?
04.09.26	• Focus on emerging markets – Where growth meets innovation
14.07.26	• Energy security – why electrification has become a geopolitical imperative



MONTHLY INVESTMENT BRIEF

October 2026 - The French risk: memories of the euro crisis might not be a good benchmark

July 2026 - Energy revolution: Don't be lost in transition

June 2026 - Riding the Tech Wave

May 2026 - Looking beyond the conflict



SUSTAINABLE INVESTING

Exclusion Policy

Responsible Investment Policy

Annual PRI reporting

Source: ODDO BHF AM

Glossary

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.

SFDR

The EU Sustainable Finance Disclosure Regulation (SFDR) is a set of EU rules which aim s to make the sustainability profile of funds transparent, more comparable and better understood by end investors. Article 6: The management team does not consider sustainability risks or adverse effects of investment decisions on sustainability factors in the investment decision making process. Article 8: The management team addresses sustainability risks by integrating ESG criteria (Environment and/or Social and/or Governance) into its investment decision making process. Article 9: The management team follows a strict sustainable investment objective that significantly contributes to the challenges of the ecological transition and addresses sustainability risks through ratings provided by the Management Company's external ESG data provider.

NICOLAS CHAPUT
Global CEO
ODDO BHF AM

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

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

TIM WEGMANN, CFA
Product Manager Fixed Income Products
ODDO BHF AM GmbH

LAURENT DENIZE
Global Co-CIO
ODDO BHF

EUGÉNIE LECLERC
Global Head of Products
ODDO BHF AM

NICOLAS GINESTE
Product Manager Asset Allocation
ODDO BHF AM SAS

GUNTHER WESTEN
Global Head of Asset Allocation & Fund Management
ODDO BHF AM GmbH

MATTHIEU BARRIERE, CFA
Deputy Head of Asset Allocation
ODDO BHF AM SAS

TRANG LE
Analyst / Junior Portfolio Manager – Asset Allocation
ODDO BHF AM SAS

ODDO BHF Asset Management SAS (France)
A portfolio management firm certified by the French Financial Markets Authority (AMF) under n°GP 99011.
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12. boulevard de la Madeleine - 75440 Paris Cedex 09, France - Tel. : 33 (0)1 44 51 85 00

www.am.oddo-bhf.com

ODDO BHF
ASSET MANAGEMENT