

MONTHLY *investment* BRIEF

*The French risk: memories of the euro crisis
might not be a good benchmark*

Do you remember the euro crisis? It was a time of late-night crisis summits, last-minute bailouts and speculation about a break-up of the EU. Ultimately, the eurozone was stabilised and economic cooperation was even strengthened. With global bond yields rising, memories of that crisis are resurfacing. This time, however, the focus is not on a peripheral country but on France, one of the eurozone's core economies. In early October, the risk premium on French government bonds relative to German Bunds exceeded 140 basis points, a level last seen during the euro crisis. The move has been driven by concerns over France's fiscal discipline and fears that higher yields could significantly tighten financing conditions across the eurozone. As a result, the euro has recently come under pressure.

A difficult starting point for France

The pressures on global bond markets are hitting France at a particularly challenging fiscal and political moment. Structural weaknesses are underpinning the rise in risk premiums. Compared with Germany, the French economy is losing momentum. At the same time, the national budget remains deeply in deficit. For decades, government spending in France has exceeded revenue. The government expects total debt to reach 121.7 per cent of gross domestic product next year. France is already more heavily indebted than any other EU country.

Budget and elections in the markets' spotlight

For investors, the first key question is whether the government manages to pass a budget. The draft budget for 2027 includes savings of 43 billion euros. Through this austerity programme, the government aims to reduce the budget deficit of 5.4 per cent and restore confidence among financial markets. However, passing such an austerity budget is a challenge, as the government has not had a majority of its own in parliament since the snap elections in 2024. If it manages to secure a majority for the budget with the help of individual opposition parties, this could calm the markets in the short term and reduce risk premiums.

However, with the presidential election approaching in spring 2027 and widespread protests against the planned spending cuts to be expected, opposition parties appear unlikely to make significant concessions. It is therefore more likely that Article 49.3 will be invoked once again and a budget passed by decree, as was the case in 2026. Moreover, adopting the budget by 49.3 decree, already politically contentious last year, could trigger a vote of no confidence and bring down the government. If that were to happen, no budget would be passed, and spreads could rise sharply. A new government will have to restart the budget discussion. A "special law" will be needed to avoid default. In that case, revenues and expenditures would largely be rolled over, potentially worsening the public finance balance. Even if an immediate financial crisis were avoided, the spread over German government bonds would likely continue to widen in this scenario.

There is another alternative, which relies in triggering Article 47 of the constitution allowing to pass the budget through executive orders ("ordonnances"). In that case, there's no way of blocking the government after 70 days of debate in Parliament. Once the article 47 is triggered, Lecornu's draft budget becomes law. Conversely, this has never been done. The opposition parties, from LFI to RN, will likely unite to bring the government down – but at least a budget will have been passed.

Following the budget crisis, the markets' attention will turn to the presidential elections in April. Marine Le Pen of the Rassemblement National is clearly in the lead in the polls, with figures of over 30 per cent. It cannot be ruled out that she will face Jean-Luc Mélenchon, the representative of the far-left La France insoumise, in the decisive run-off. His recent proposal to simply write off 20 per cent of France's national debt is unlikely to have reassured investors. Pressure from financial markets is therefore likely to intensify even before the election. Any signs that leading candidates are not committed to fiscal consolidation could prompt a market reaction. As a result, the election campaign in the first quarter may be accompanied by heightened volatility.

Source: ODDO BHF AM, comments as of 12/10/2026.



This is because France relies heavily on international investors to finance its national debt. 57 per cent of French national debt is held by foreign investors. If they lose confidence in France's budgetary performance, the widening of risk premiums could be further exacerbated by sell-offs. Furthermore, government bonds are competing with the rapidly increasing bond issues from US technology giants, some of which offer higher interest rates. Nor is intervention by the European Central Bank by any means certain. To combat inflation, it has in fact embarked on a course of interest rate rises, which is further exacerbating France's situation. It is also reducing its holdings of securities. Any intervention via the Transmission Protection Instrument – which has never been used before – would be subject to conditions. These include compliance with the European fiscal framework, a sustainable debt trajectory, and sound and sustainable economic policy measures. A widening spread alone therefore does not necessarily trigger intervention. Nevertheless, the markets expect the ECB to intervene should the situation escalate to the point of threatening the eurozone. This limits the downside risks for French government bonds.

How high is the French risk?

French government bonds are the most direct transmission channel of the French risk. Rising yields put pressure on existing bond holdings, depending on their duration, while also increasing the government's future refinancing costs. Caution therefore appears warranted about French sovereign debt. From a global perspective, corporate bonds are preferable to government bonds due to solid fundamentals and attractive current yields. This also applies to French bonds. The key factors here are the issuer, the business model, liquidity and dependence on the French market. Financial stocks are particularly sensitive to rising government bond yields and political risks.

A nuanced approach is also required when it comes to equities. Domestically focused companies tend to suffer more from weaker growth, higher inflation, potential special taxes and rising financing costs. Large French companies with an international presence and exporters, on the other hand, are often significantly less dependent on the domestic economic environment and can also benefit from a weaker euro. Accordingly, the preference is for large companies over small caps and exporters over predominantly domestically focused business models.

Against a backdrop of improved global economic prospects, stable corporate profits and ongoing investment in the expansion of energy and AI infrastructure, equities continue to offer considerable potential. Whilst the depreciation of the euro could strengthen the competitiveness of European exporters, it could simultaneously increase imported inflationary pressure. Gold, as well as copper and aluminium, offer potential: gold due to sustained high demand from central banks, and industrial metals because of electrification, grid expansion and limited supply.

A renewed euro crisis cannot be ruled out, given the long-term fiscal challenges facing a major eurozone member such as France. However, it is far from inevitable. The experience of 2010 to 2012 demonstrated that crises can also become catalysts for deeper European integration. Looking ahead, market pressure may encourage policymakers across the political spectrum to recognise the seriousness of the situation and support a credible fiscal consolidation programme in highly indebted countries such as France. Although that outcome may not seem especially likely at present, investors should remain clear-eyed while retaining a sense of optimism. Ultimately, investing is an investment in future value. But always, timing is key.

Positioning

We maintain an overall cautious stance on equities, while continuing to favor emerging markets, where we see more attractive valuation and growth opportunities. Following the recent sharp increase in interest rates, we have moved to a neutral duration stance. Within fixed income, we continue to prefer Investment Grade credit, which offers a compelling balance between yield and quality. We are also strengthening portfolio diversification through selective exposure to commodities, including gold and industrial metals, as well as through currencies such as the Japanese yen and local emerging market currencies. Looking ahead, markets are likely to be driven by two key catalysts over the coming months: the electoral cycle and the upcoming corporate earnings season. Given the uncertainty surrounding both factors, we believe it is prudent to remain patient and await clearer signals before making significant allocation changes.



LAURENT DENIZE

Global Co-CIO, ODDO BHF



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MARKET ANALYSIS

EQUITIES
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OUR FOCUS SOLUTION: ODDO BHF GLOBAL NAVIGATOR



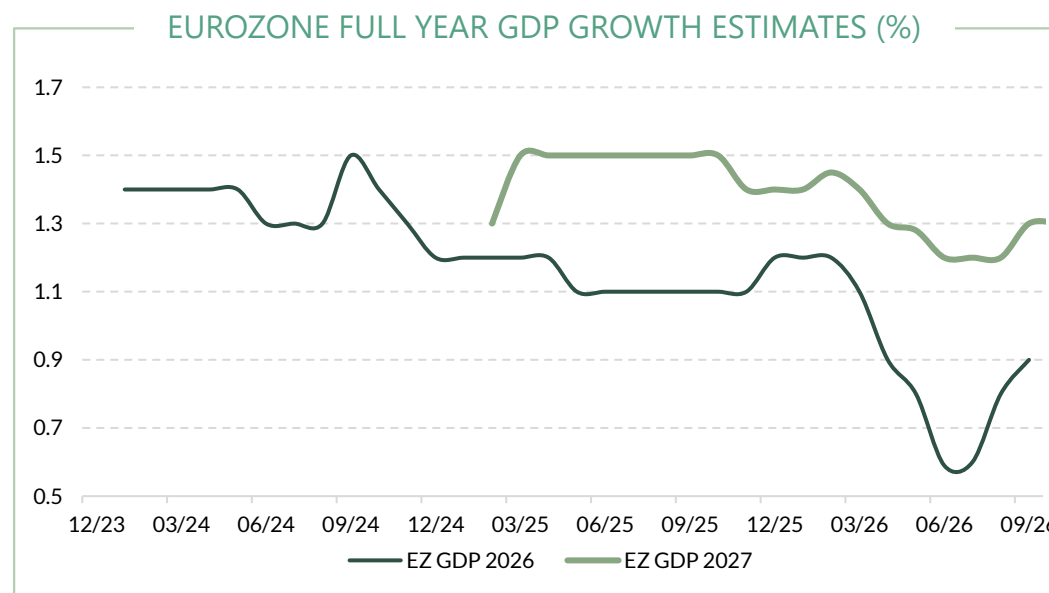
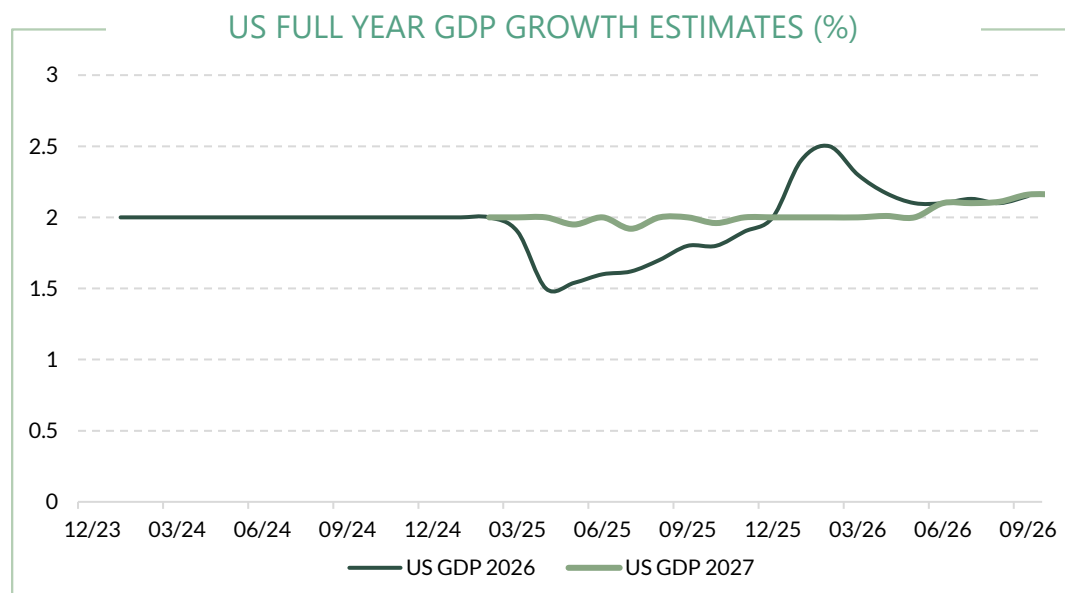


01

MACROECONOMIC *outlook*

Growth outlook

FROM RESILIENCE TO ACCELERATION?



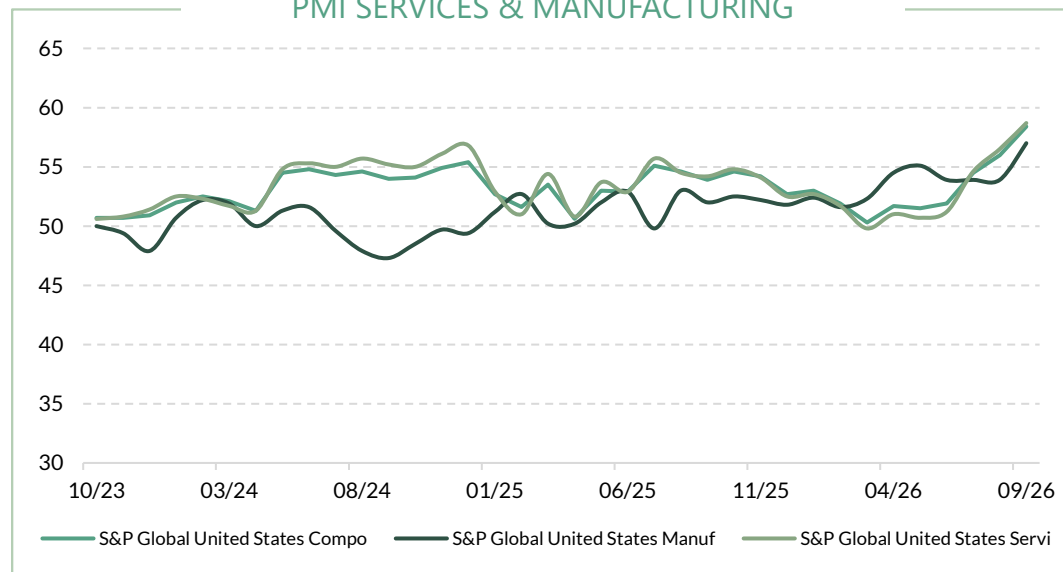
- For the US, growth has been revised higher in Q2 and is expected to run at roughly 3.5% in Q3
- That is already reflected in slight upward revisions to the 2026 and 2027 consensus GDP projections
- Eurozone growth momentum is also seen as improving, given the resilience to the oil price shock so far



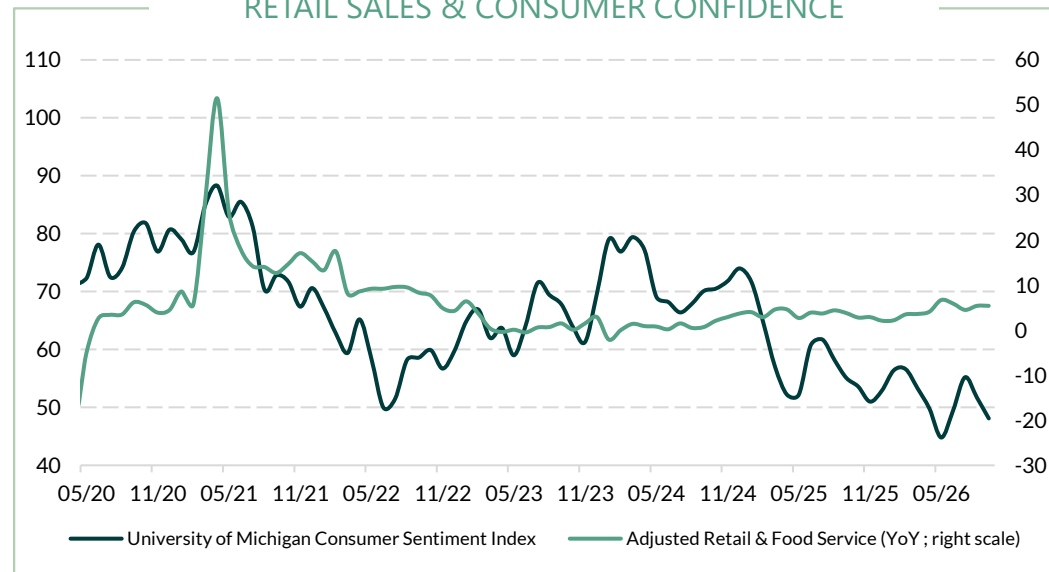
USA

UNBREAKABLE?

PMI SERVICES & MANUFACTURING



RETAIL SALES & CONSUMER CONFIDENCE

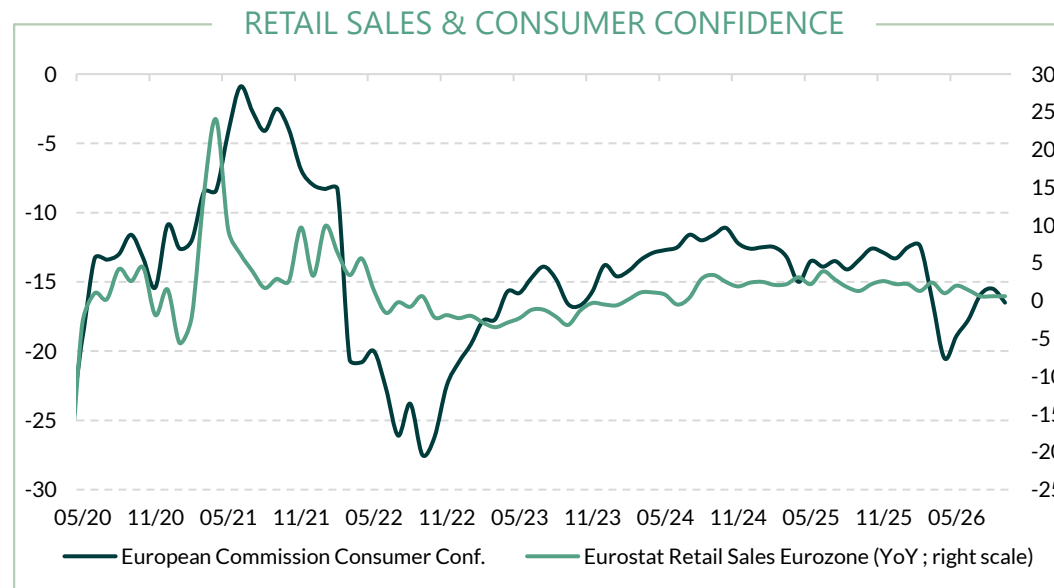
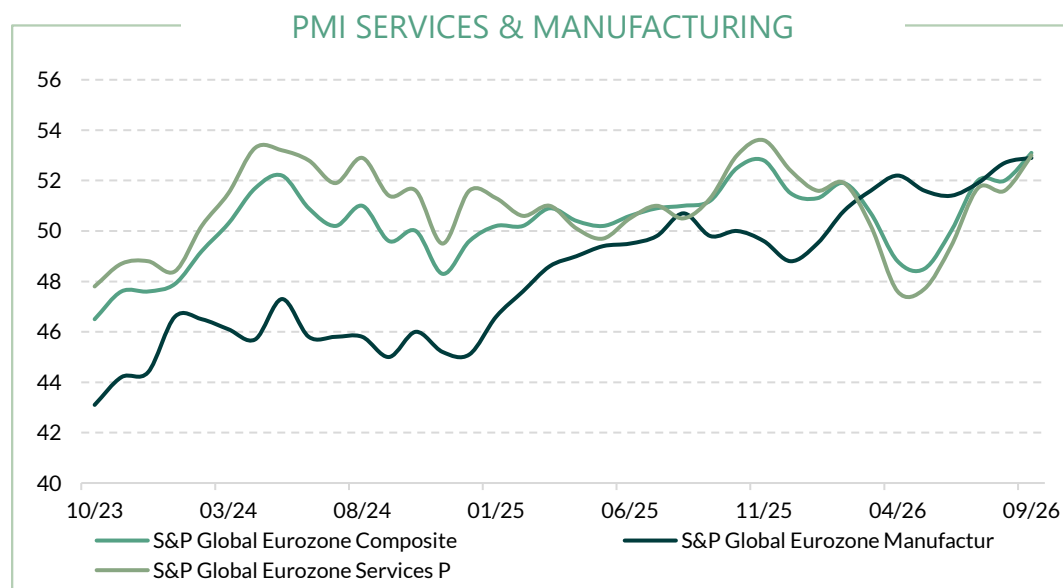


- US growth momentum has improved over the summer into fall
- GDP NOW tracker points to around 3.5% for Q3 (Atlanta FED)
- PMIs have increased across most of the categories and sit at multi-year highs
- Consumer sentiment indicators are weak, but have been out of sync with healthy consumer spending for quite some time
- Concerns are only emerging around the dependence of the economy on AI investment and consumer support via the wealth effect



Europe

SHIFTING GEAR?



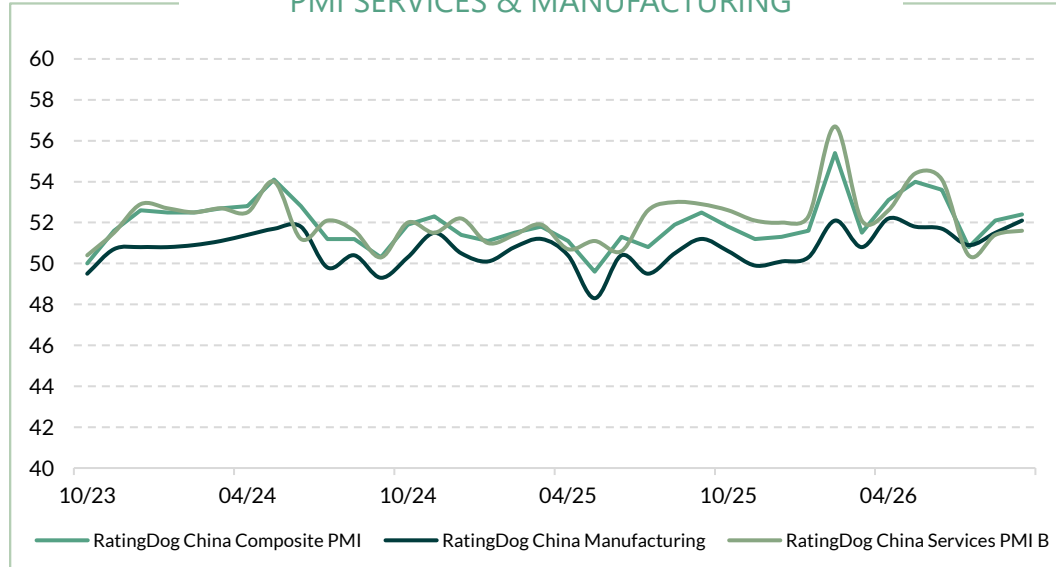
- Activity data has improved over recent weeks despite persistent pressure from higher energy costs
- The Eurozone composite PMI has rebounded strongly from its May low and hovers around multi-year highs. Also, strength is visible across the board , with new orders improving
- On the country level, Italy is falling back a bit especially via the service sector, while Spain still holds first place thanks to ongoing dynamic in services



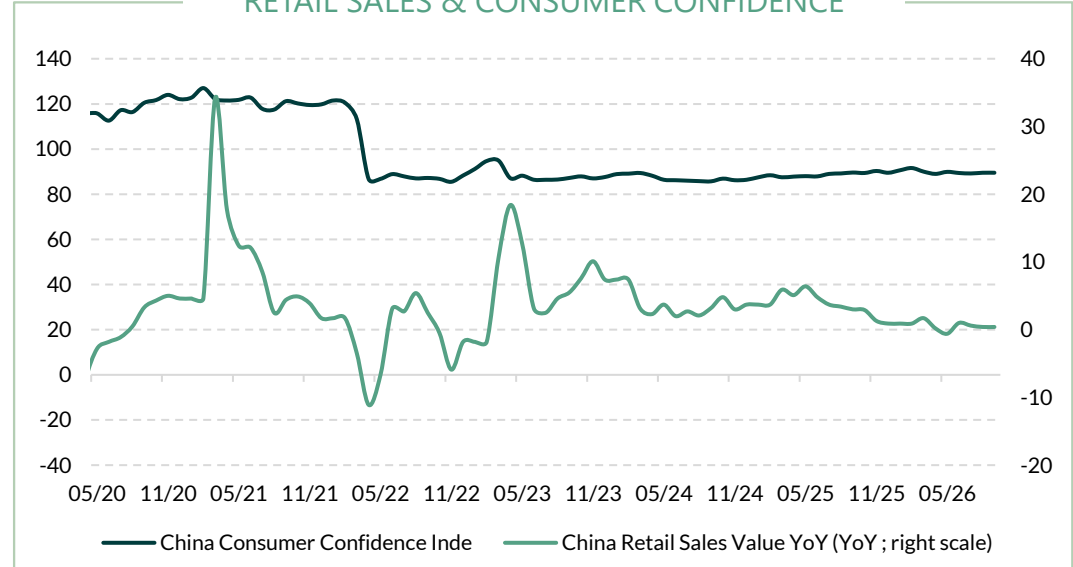
China

STILL LICKING WOUNDS

PMI SERVICES & MANUFACTURING



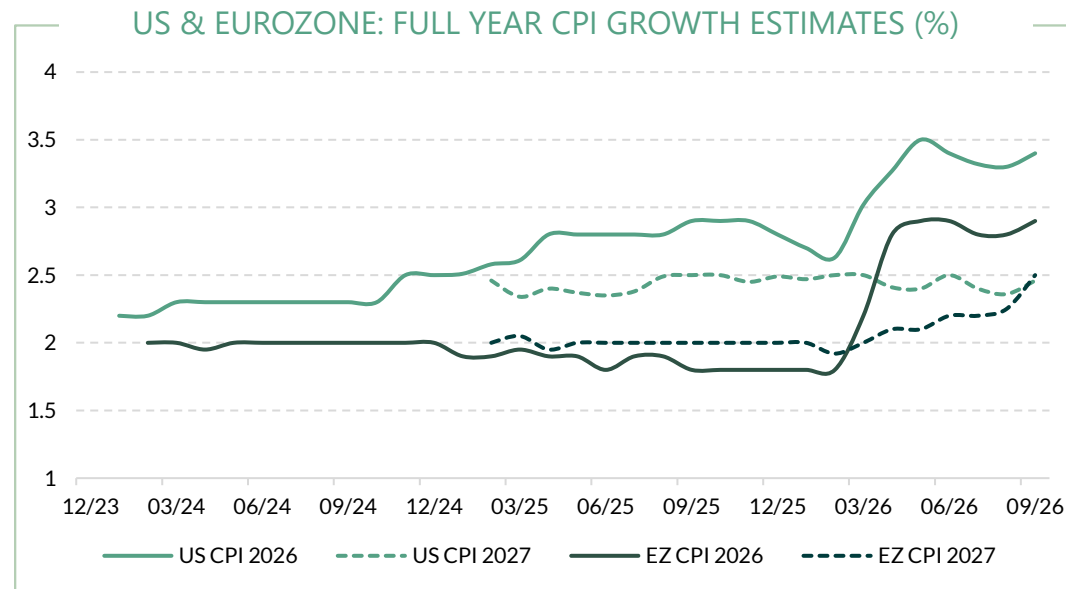
RETAIL SALES & CONSUMER CONFIDENCE



- PMIs have recovered recently, but continue to fluctuate around the 50 level for the NBS and 52 for the RatingDog measure
- Private consumption remains anaemic, while the activity focus centers on exports
- But even that export sector is currently suffering from surging input prices and some supply bottlenecks

Inflation expectations

BEHAVED BUT GRINDING HIGHER



YOY CPI ESTIMATES

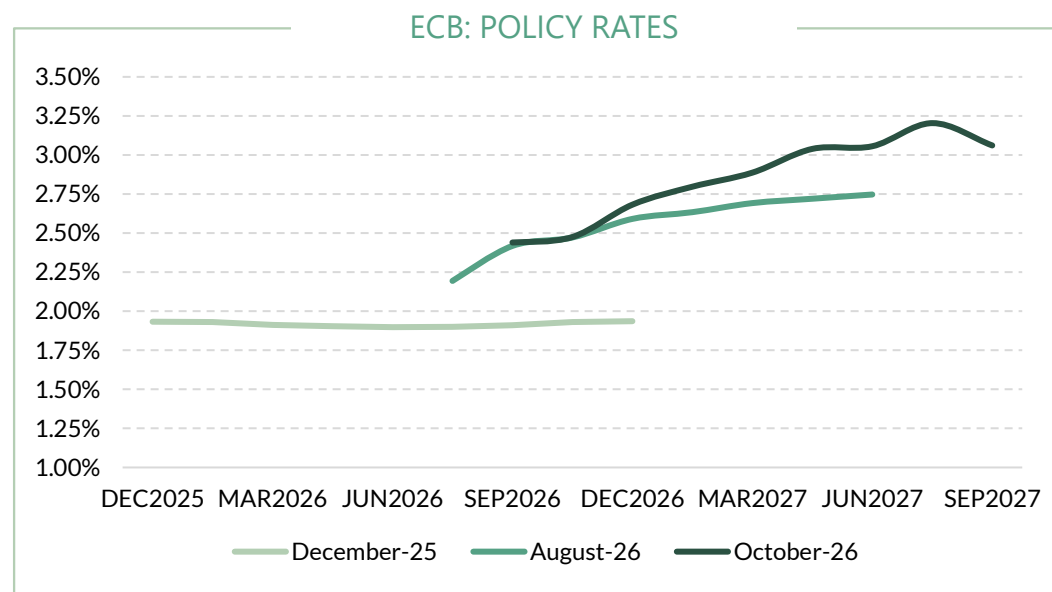
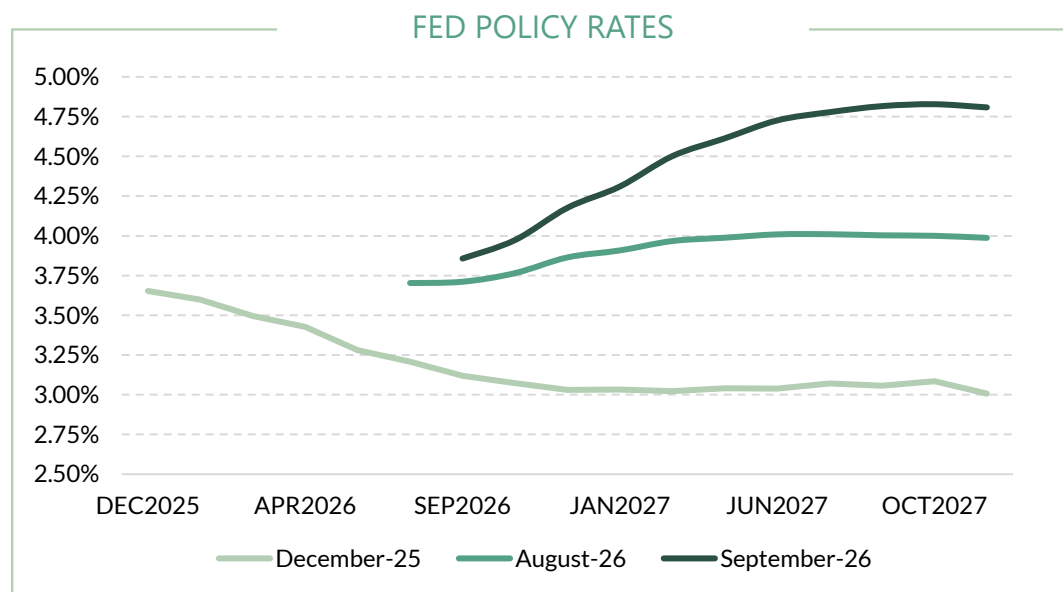
	Headline Inflation Rate (%)	Inflation Rate (%)			Inflation Forecasts (%)		Policy Rate (%)		Money Supply (y/y %)		Output Gap (%)
		Target	Actual	Diff	Annual Forecast	Diff	Nominal	Real	Narrow	Broad	
US	4.2	2.0	4.1	2.1	3.4	1.4	3.75	-0.45	-1.94	5.6	-0.1
Euro Area	2.8	< 2.0	2.8	0.8	2.9	0.9	2.4	-0.4	4	3.2	-
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

- Inflation expectations as measured by surveys and break-even inflation rates are still anchored
- The recent surge in yields is basically a reflection of higher real yields than break-even yields



FED & ECB policies

NOT A FULL HIKING CYCLE



- Expectations for the ECB and the FED have settled at around 3 more hikes with the next hike penciled in for December and the last expected in the summer of 2027
- Higher energy prices have already pushed up headline inflation and will continue to do so for some time, but evidence of second round effects remain scarce
- Wage growth is still fading in the US and even more in the Eurozone, leaving little pressure from that side
- Against that background hiking expectations appear too high and do not allow for cuts, which could take place at the end of 2027 or in 2028

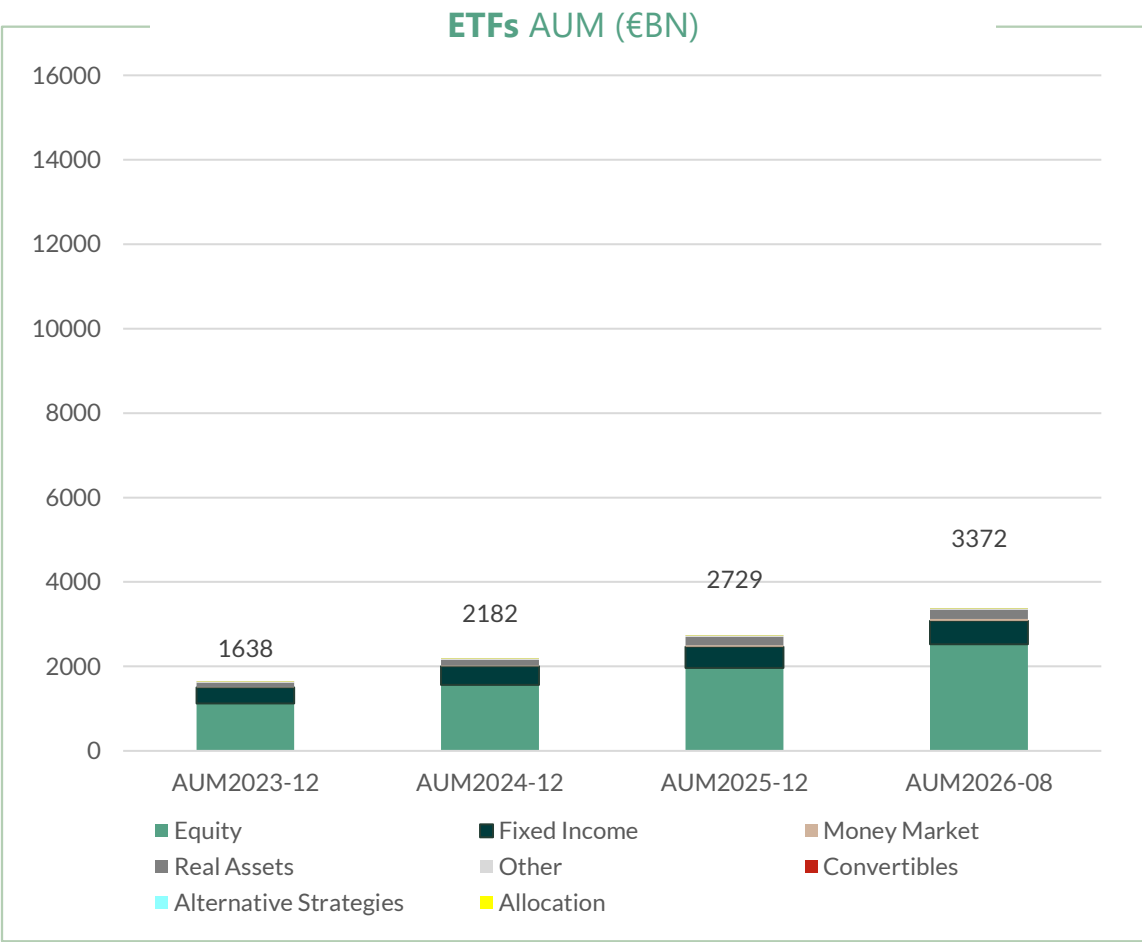
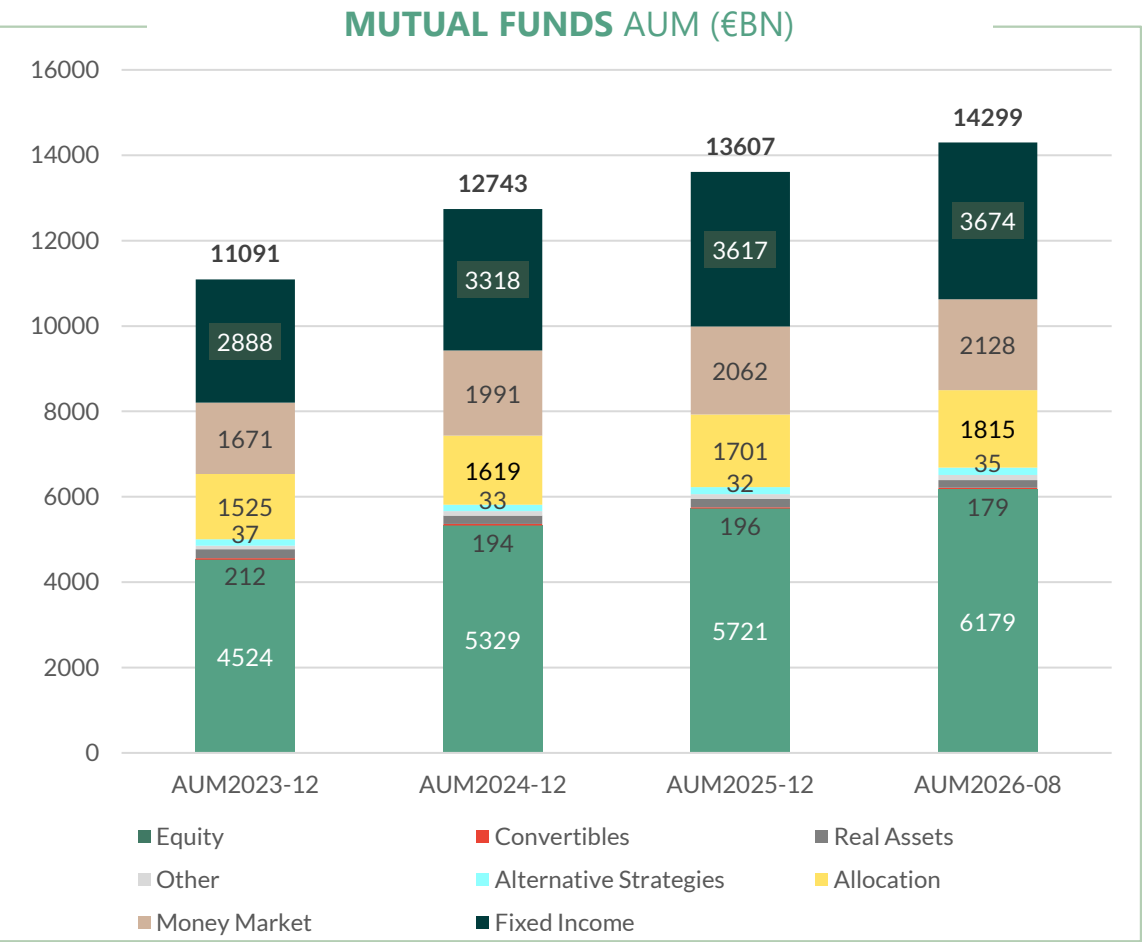


02

MARKET *analysis*



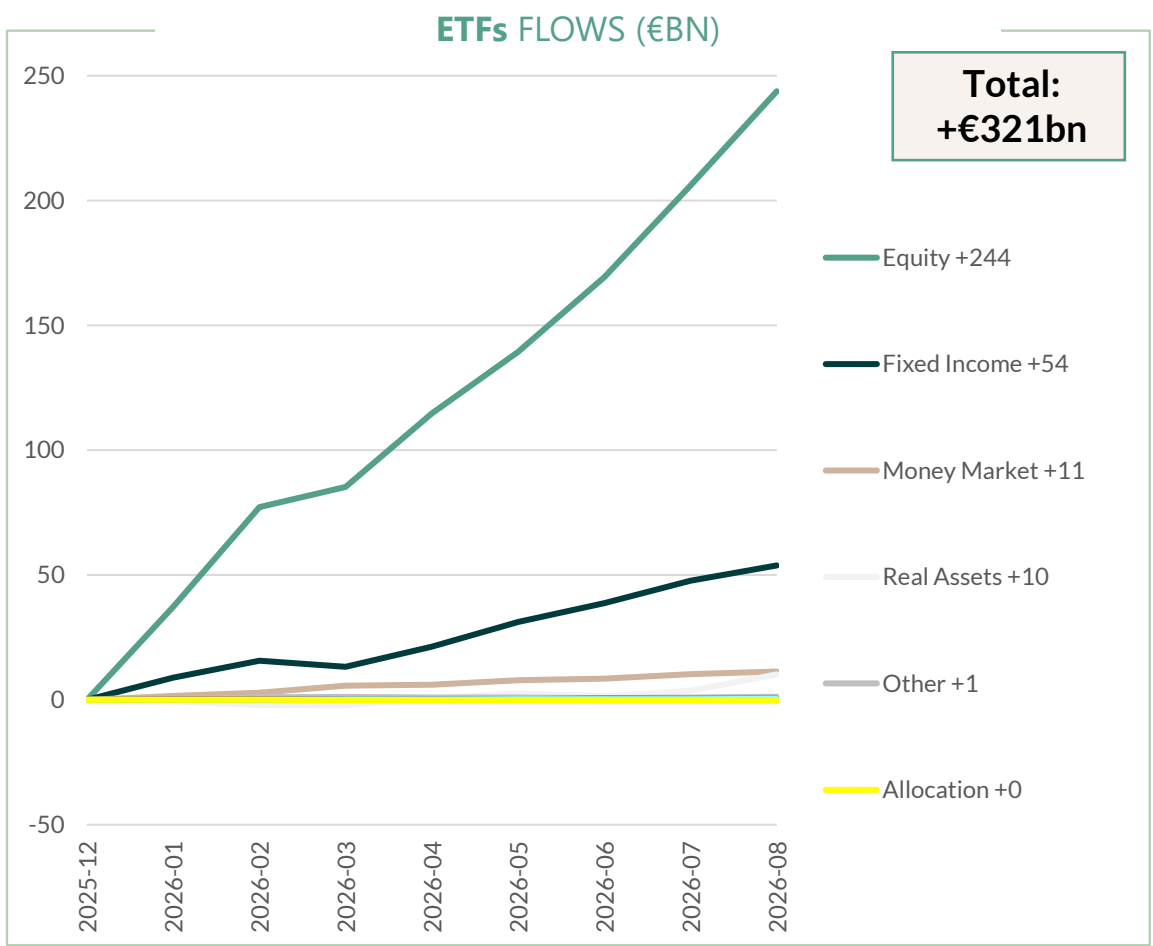
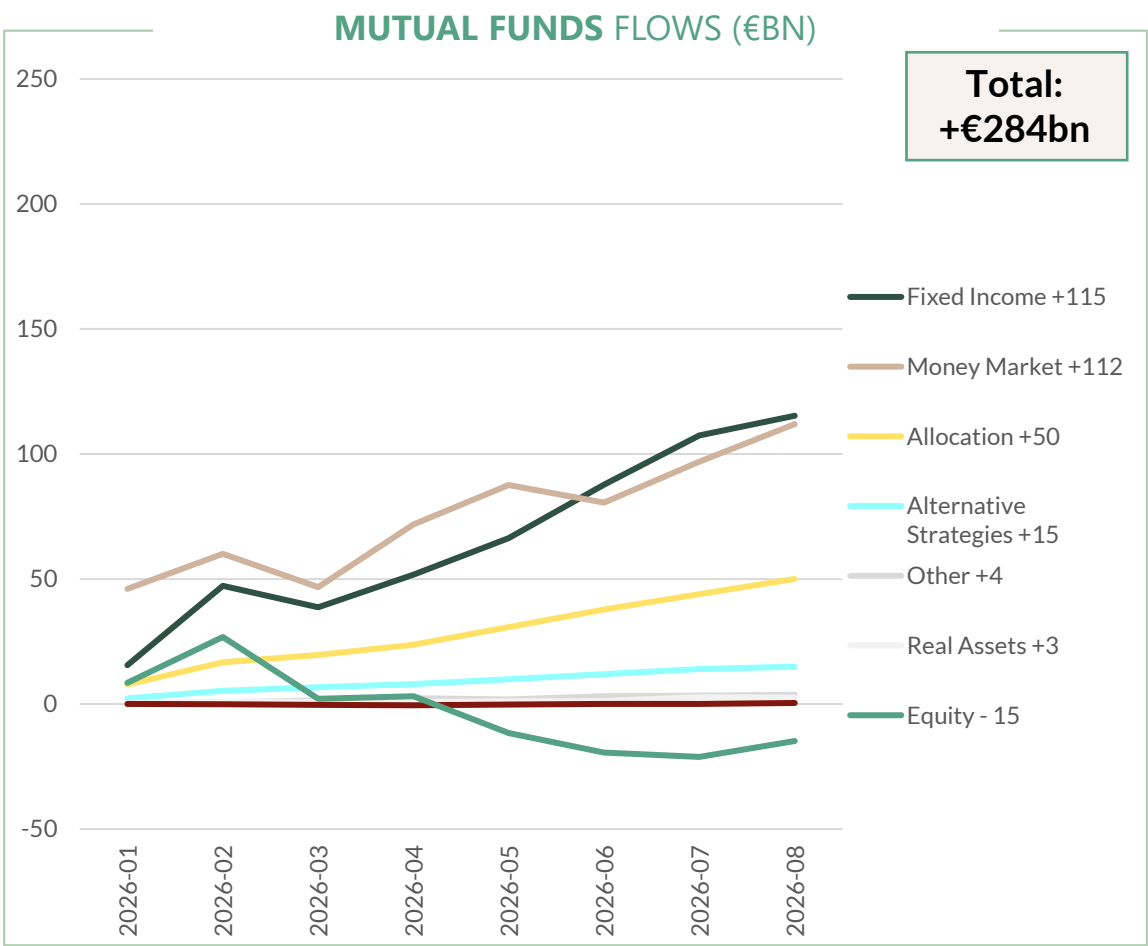
AUM evolution | Mutual funds & ETFs | YTD 2026



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



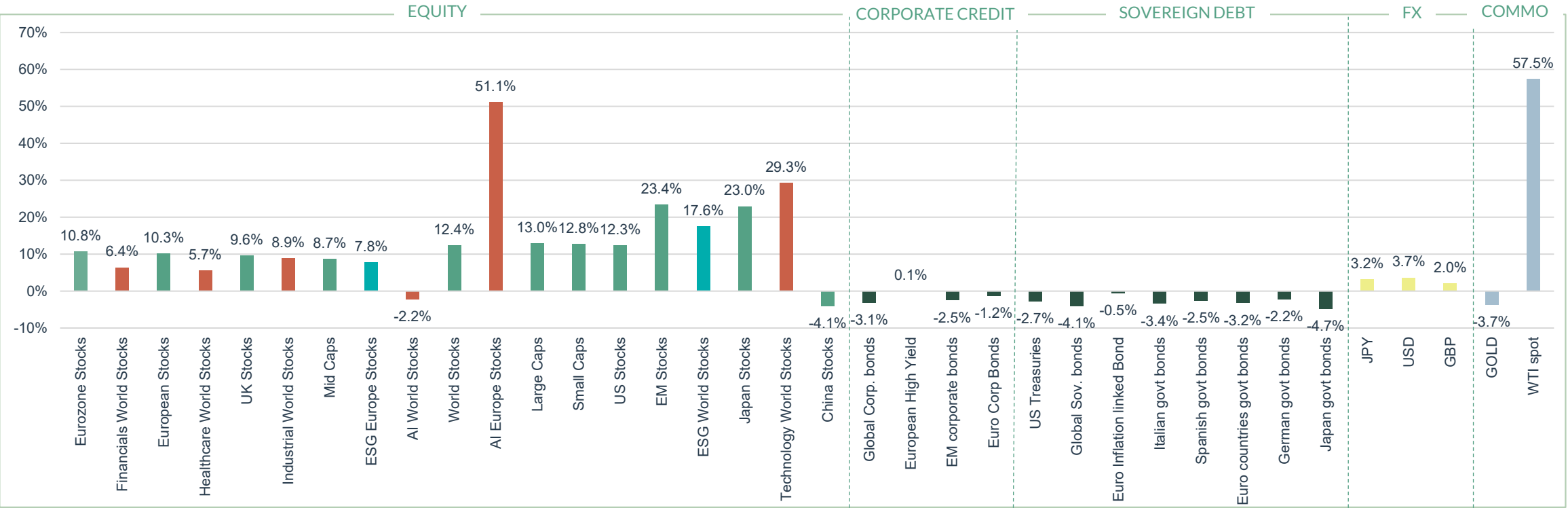
Flows evolution | Mutual funds & ETFs | YTD 2026



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

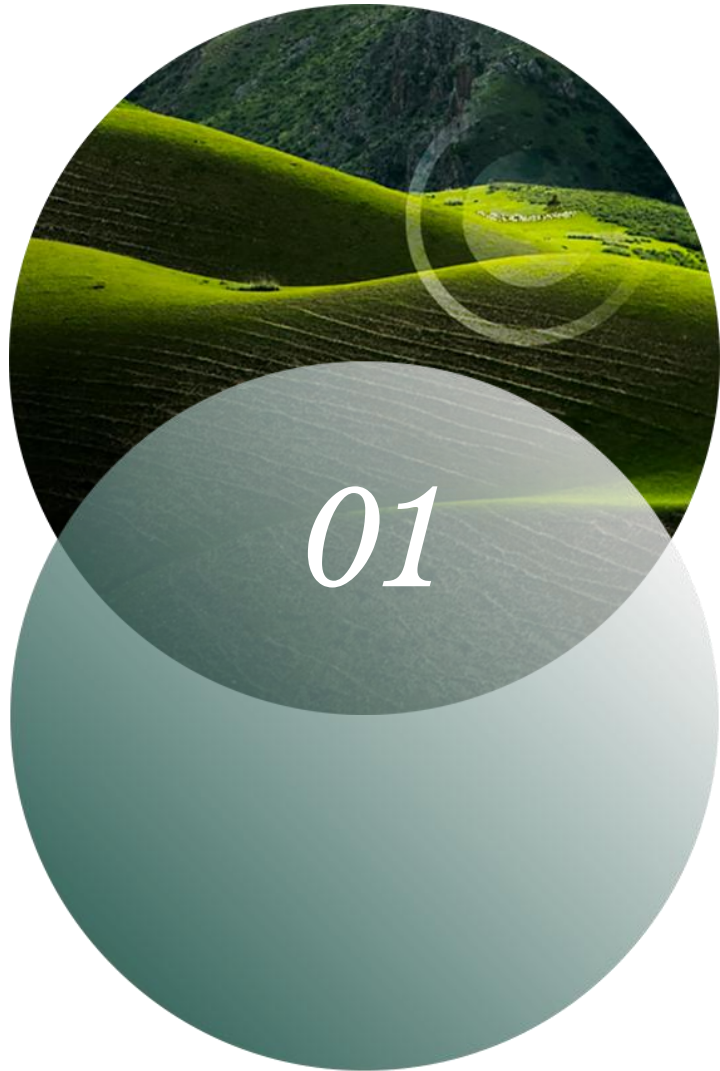


Year-to-date performances of asset classes



■ Sectors/thematics ■ ESG indices ■ Equities ■ Bonds ■ Currencies ■ Commodities

Past performances are not a reliable indicator of future performances and are not constant over time.
Sources: Bloomberg and BofA ML as of 30/09/2026; performances expressed in local currencies



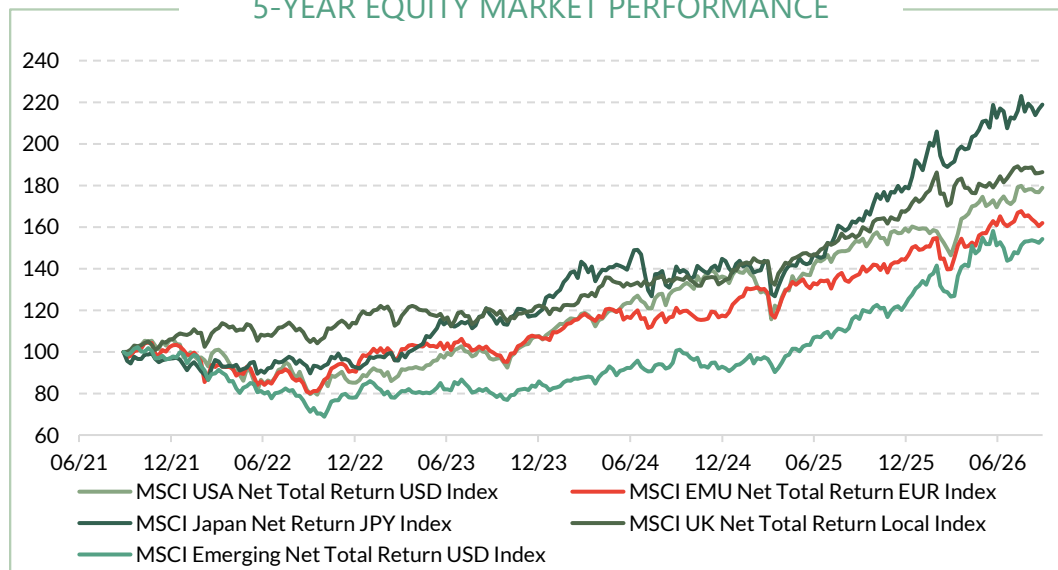
EQUITIES



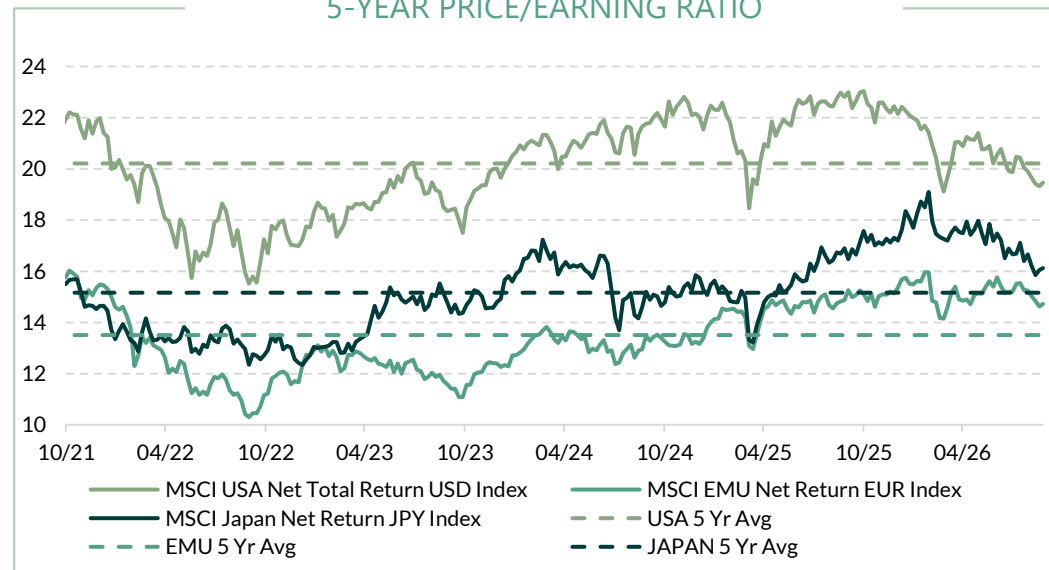
Equities

MAJOR INDICES IN DECLINE DESPITE THE RETURN OF AI ENTHUSIASM

5-YEAR EQUITY MARKET PERFORMANCE



5-YEAR PRICE/EARNING RATIO



- The MSCI World Index (in local currencies) ended September down 1.2% as major developed market indices declined: the S&P 500 and Euro Stoxx fell 0.5% and 2.1%, respectively, while the CAC 40 and DAX closed the month with losses of more than 4%
- Significant sector disparities emerged beneath the surface, with AI enthusiasm back to its grace, supporting a strong rebound in semiconductor stocks (SOX +9.6% MoM)

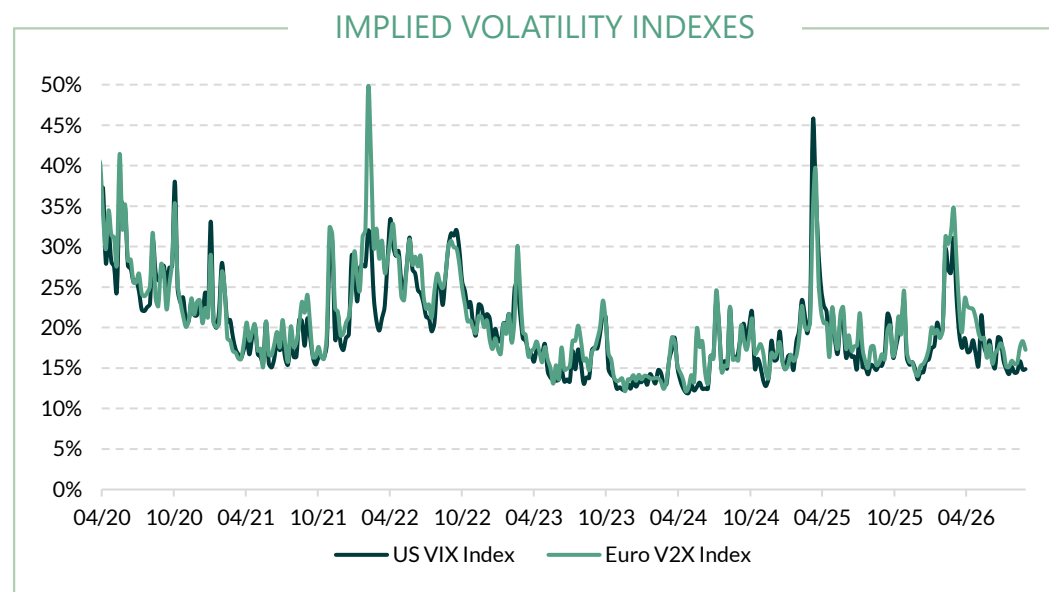
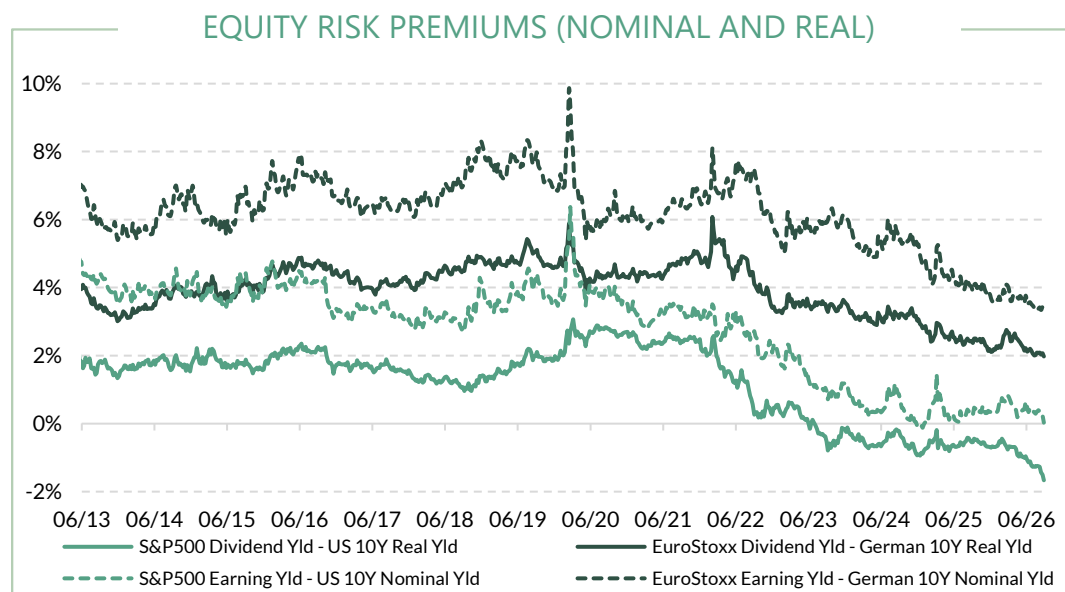
Past performances are not a reliable indicator of future performances and are not constant over time

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 25/09/2026



Risk premiums & volatility

LOWER RISK PREMIA, CONTINUED DIVERGENCE IN US AND EUROPEAN VOLATILITY



- September 2026 saw a global rates selloff that compressed equity risk premia on both sides of the Atlantic. As dividend yields remained broadly stable relative to end-August levels (unchanged in the US and up 12bps in Europe), the sharp rise in bond yields drove risk premia lower, with the US equity risk premium moving further into negative territory
- While both VIX and V2X ended the month slightly higher, the European implied volatility remained higher and peaked at 20.5 on September 15. Higher implied volatility, combined with wider credit spreads, reflected weaker equity market performance and increased macroeconomic uncertainty in Europe, despite a more limited move in underlying yields

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 25/09/2026



European equities – sectors overview

EUROPEAN SECTORS	PRICE PERFORMANCE			EPS GROWTH			VALUATION				
	%	1m %	YTD %	2025	2026	2027	P/E 12m	Div Yield	FCF Yield	EV/EBITDA	Price/Book
STOXX Europe 600		-3.1%	7%	2%	19%	9%	13.9 x	3.4%	5.3%	9.3 x	2.2 x
Commodities											
Energy	6.1%	3.0%	35%	-17%	94%	-15%	10.2 x	3.8%	10.1%	4.9 x	1.7 x
Basic Resources	2.7%	-6.5%	22%	-6%	58%	16%	12.6 x	3.4%	6.2%	6.4 x	1.7 x
Cyclicals											
Automobiles & Parts	1.4%	-7.6%	-19%	-73%	250%	25%	8.1 x	4.6%	8.6%	6.8 x	0.5 x
Chemicals	2.2%	-1.4%	14%	-9%	23%	7%	18.6 x	3.0%	4.6%	9.9 x	2.1 x
Construction & Materials	3.4%	-6.3%	-6%	-15%	15%	13%	14.8 x	3.2%	6.7%	8.2 x	2.1 x
Industrial Goods & Services	16.0%	-4.1%	9%	2%	21%	15%	19.8 x	2.3%	4.6%	11.8 x	3.7 x
Media	0.7%	-5.0%	-8%	-3%	2%	12%	11.7 x	4.0%	8.6%	7.6 x	1.7 x
Technology	9.5%	1.9%	27%	5%	26%	28%	23.2 x	1.2%	3.7%	16.9 x	5.7 x
Travel & Leisure	0.9%	-2.6%	-2%	17%	-11%	18%	11.8 x	3.0%	7.1%	6.1 x	2.6 x
Consumer Products and Services	3.5%	-7.5%	-16%	-2%	12%	14%	20.0 x	2.7%	4.8%	11.3 x	3.0 x
Financials											
Banks	15.8%	-1.2%	19%	10%	10%	14%	10.4 x	4.9%	-		1.5 x
Insurance	5.6%	-5.1%	2%	14%	8%	6%	11.7 x	5.2%	5.8%		2.0 x
Financial Services	4.4%	-7.5%	4%	9%	18%	-3%	12.1 x	3.1%	4.8%		1.5 x
Real Estate	1.4%	-8.5%	-10%	10%	7%	5%	13.0 x	5.3%	4.2%	18.6 x	0.7 x
Defensives											
Health Care	12.2%	-3.6%	-4%	8%	5%	10%	15.0 x	2.8%	5.4%	10.9 x	3.1 x
Food Beverage and Tobacco	4.3%	-3.9%	-2%	-3%	3%	8%	13.6 x	4.0%	6.6%	10.3 x	2.5 x
Personal Care Drug and Grocery Stores	1.8%	-1.4%	-3%	-3%	2%	8%	14.0 x	3.9%	6.5%	8.1 x	2.8 x
Retail	1.1%	-5.8%	-1%	4%	11%	11%	15.6 x	3.7%	6.1%	8.3 x	3.1 x
Telecommunications	2.7%	-5.1%	6%	25%	13%	13%	14.2 x	4.3%	9.8%	6.2 x	1.6 x
Utilities	4.5%	-2.0%	8%	9%	15%	7%	13.9 x	4.3%	-2.1%	8.9 x	1.8 x

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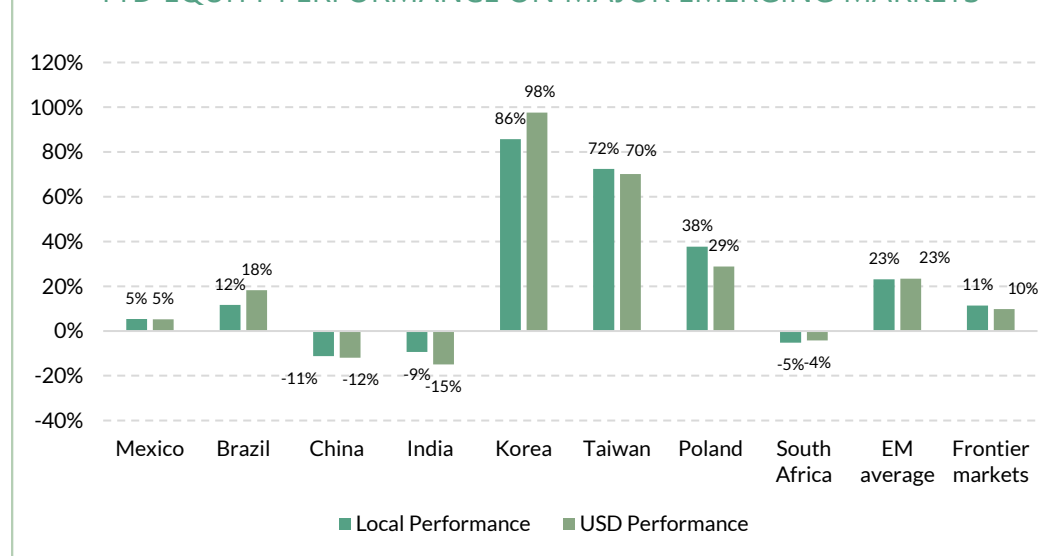
Sources: ODDO BHF AM SAS, Goldman Sachs, 01/10/2026



Emerging markets

EM OUTPERFORMED DEVELOPED PEERS AS AI TRADE REGAINS TRACTION

YTD EQUITY PERFORMANCE ON MAJOR EMERGING MARKETS



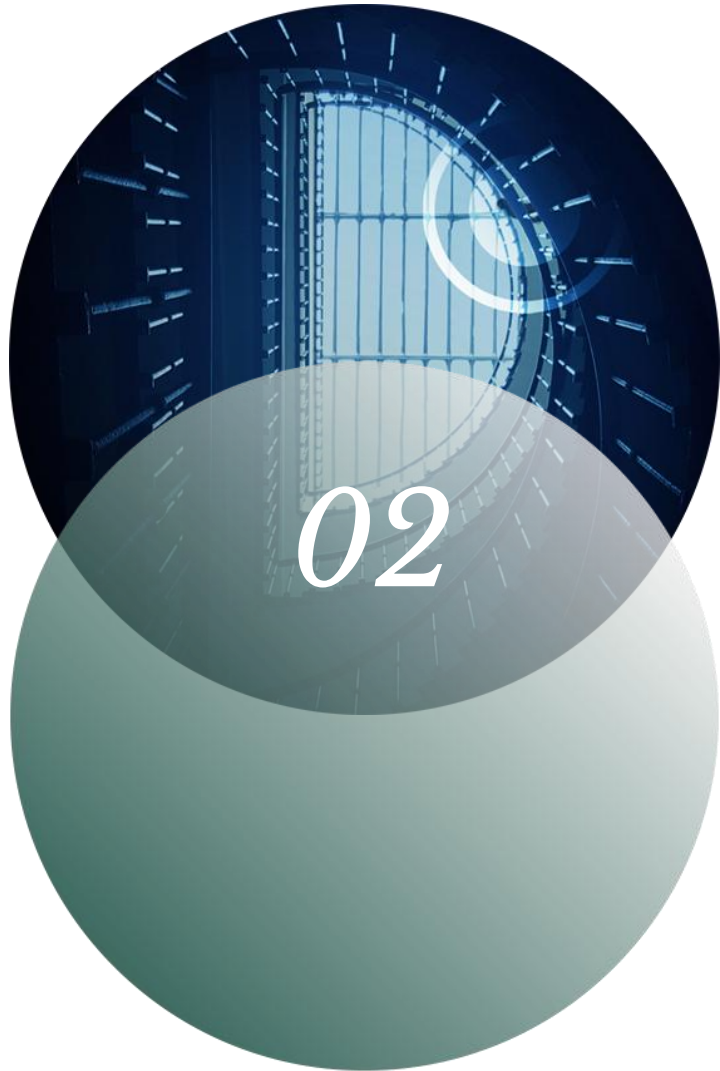
EM FWD P/E PREMIUM TO DM



- MSCI EM posted a marginal decline (-0.8%) in September, following positive returns in August (+3.4%). EM underperformed S&P500 (-0.4%) but outperformed developed markets peers (MSCI World -1.2%)
- Despite several headwinds – structurally higher DM yields, spiked oil price and rising dollar, EM performance was cushioned by the global resumption in the AI trade with MSCI Taiwan gaining 4.5% and MSCI Korea +1.3%

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 25/09/2026

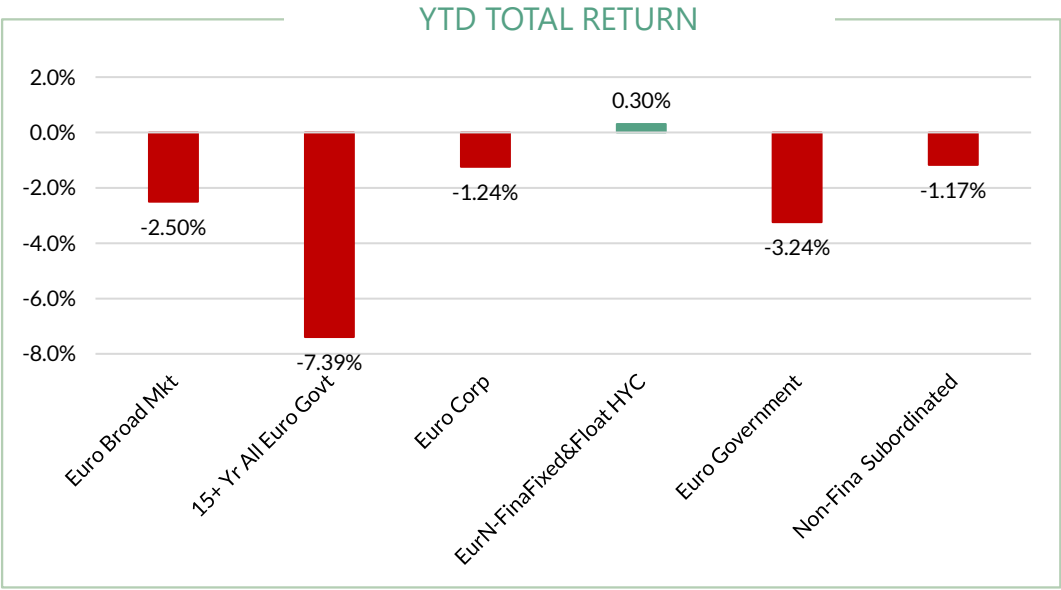
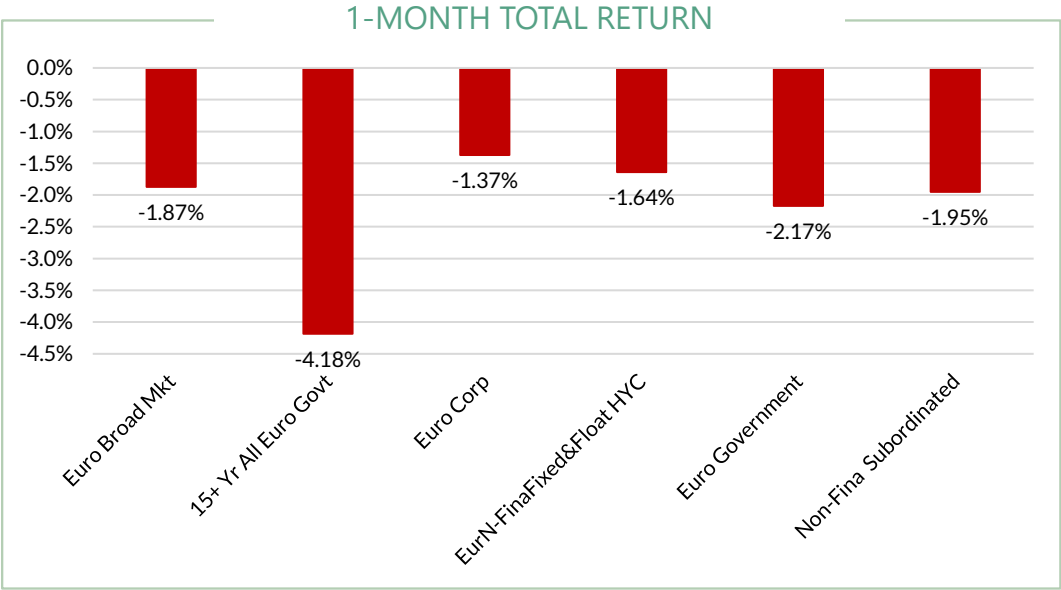


FIXED INCOME



Performance fixed income segments

THE BEAR MARKET INTENSIFIES

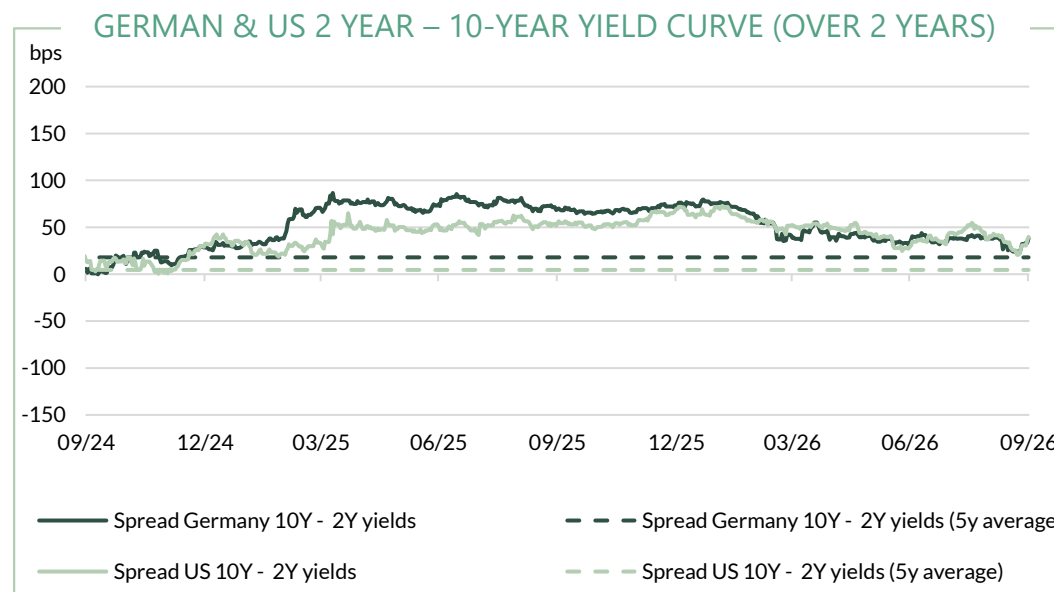
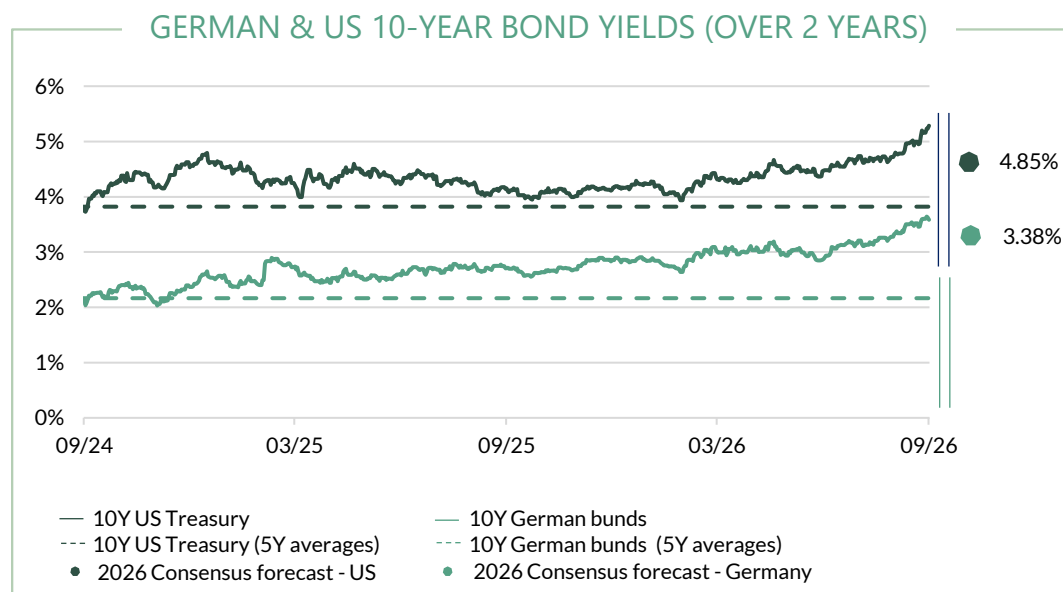


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Source: ODDO BHF AM, Bloomberg, data as of 30/09/2026



Rates

GROWTH AND MONETARY REPRICING BEHIND THE SURGE



- Rates have accelerated their upward surge globally since end of August. 10-year US Treasuries and Bunds have ballooned by 50bps and 30bps, respectively
- While fiscal concerns may have had a role, we think biggest contributors have been growth resilience and monetary uncertainty
- At these yield levels a lot has been priced, but a top on rates could still be a bit further ahead
- Bunds have recently regained some of its flight-to-quality status in the aftermath of French spread troubles
- Although, OAT spreads may stabilize a bit, we see further upward risk and remain underweight. Instead, we continue to favor Spain

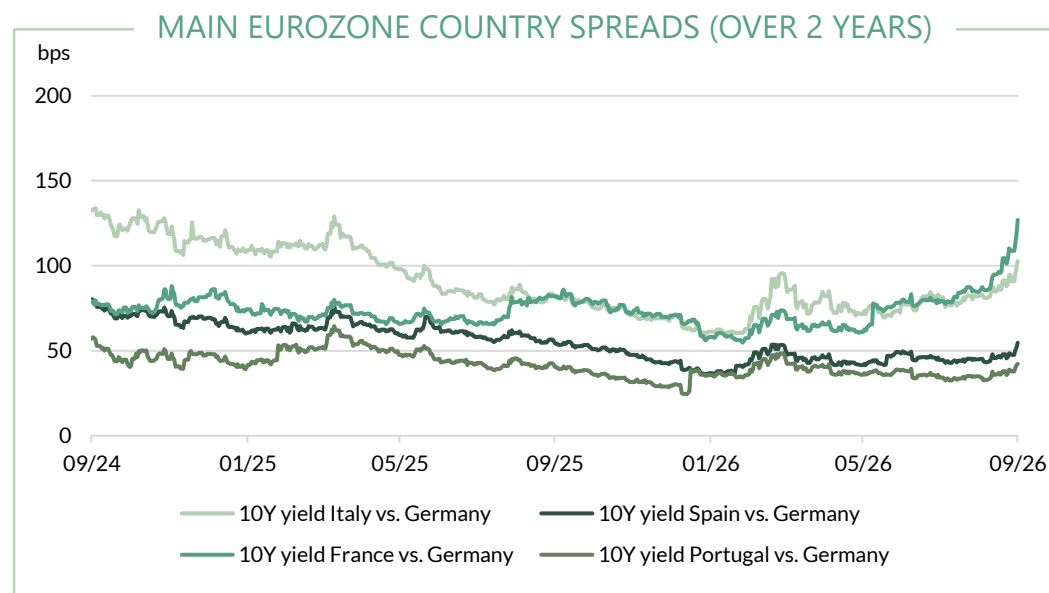
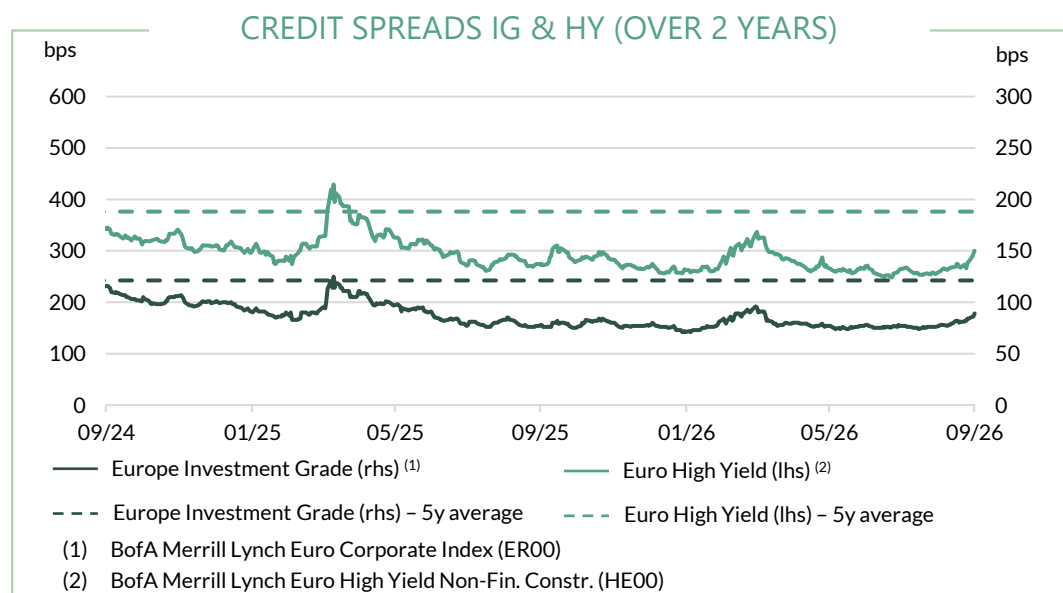
Past performances are not a reliable indicator of future performances and are not constant over time.

Bloomberg Economic Forecast | Sources: ODDO BHF AM SAS, Bloomberg | LHS: Data as of 30/09/2026; RHS: Data as of 30/09/2026



Credit Spreads

BOND VIGILANTES PUNISH FRANCE



- Investment Grade spreads got dragged along with the volatility in government bonds to a new 2026 index high of 112bps from 90bps at the end of August
- Also, an increasing supply share of hyperscaler bonds pressured the market
- Eurozone high yield bonds had been under more pressure, also aggravated by idiosyncratic problems of some single names
- French OATs are likely to remain under pressure given the long runway into budget talks and the looming Presidential election in 2027. Nevertheless, the speed of spread widening is likely to abate and morph into a gradual adjustment with more two-sided price action

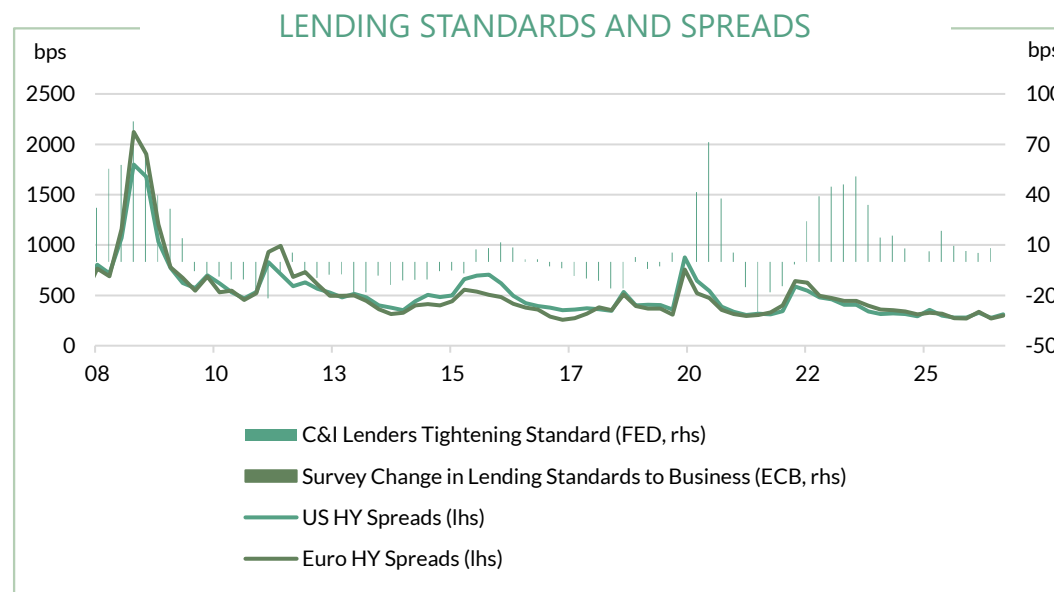
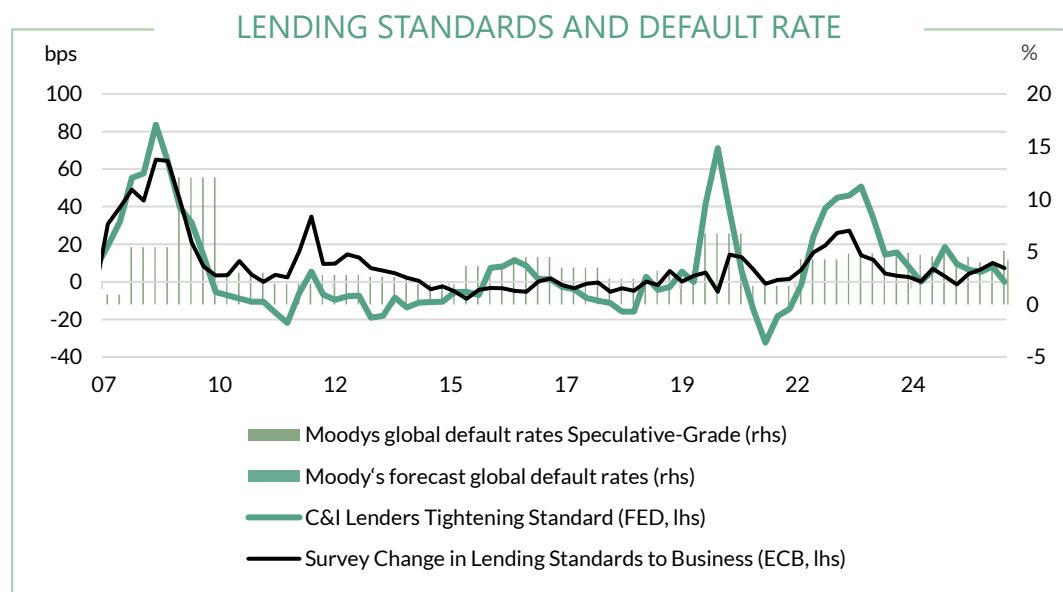
Past performances are not a reliable indicator of future performances and are not constant over time.

Sources: ODDO BHF AM SAS, Bloomberg | Data as of 30/09/2026



Financial conditions

VERY POSITIVE BUT LACKING MOMENTUM



- Financial conditions via the wealth effect exert a huge influence on consumer spending in the US. Massive equity gains on private portfolios have bridged healthy consumer expenditures, despite a significant decline in the savings ratio. Also, equity accumulation has continued over recent years, so that the equity quota in private consumer portfolios rose to an all time high. A trend reversal in equities, therefore, could derail consumer sentiment over-proportionally

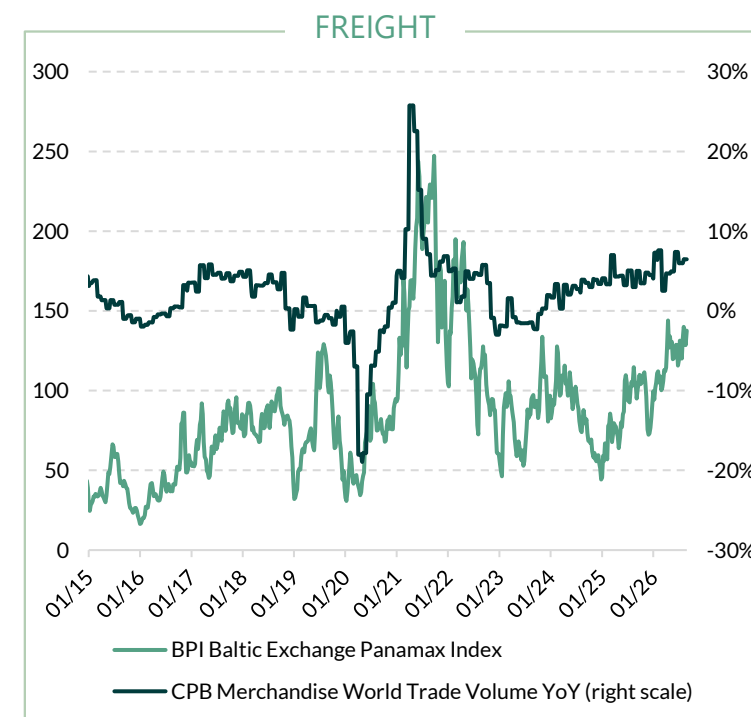
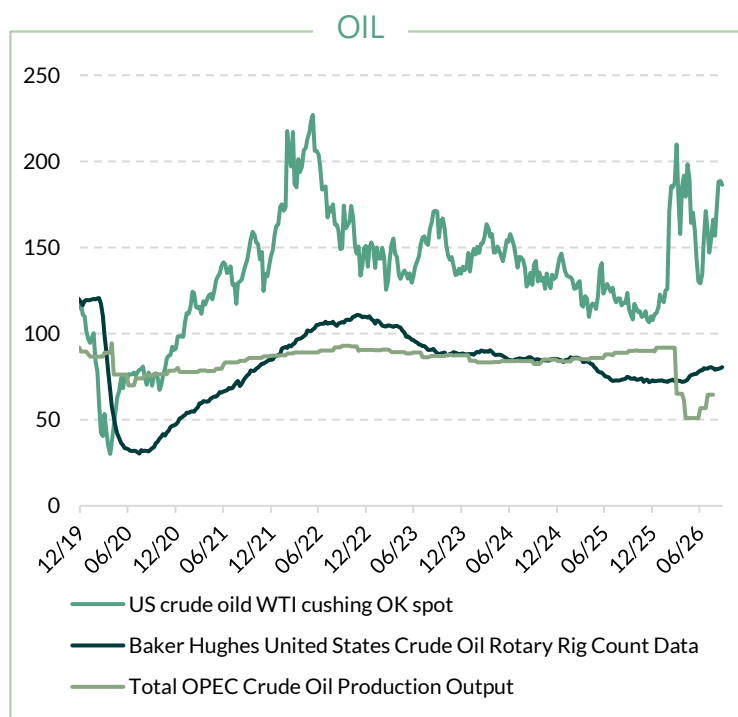
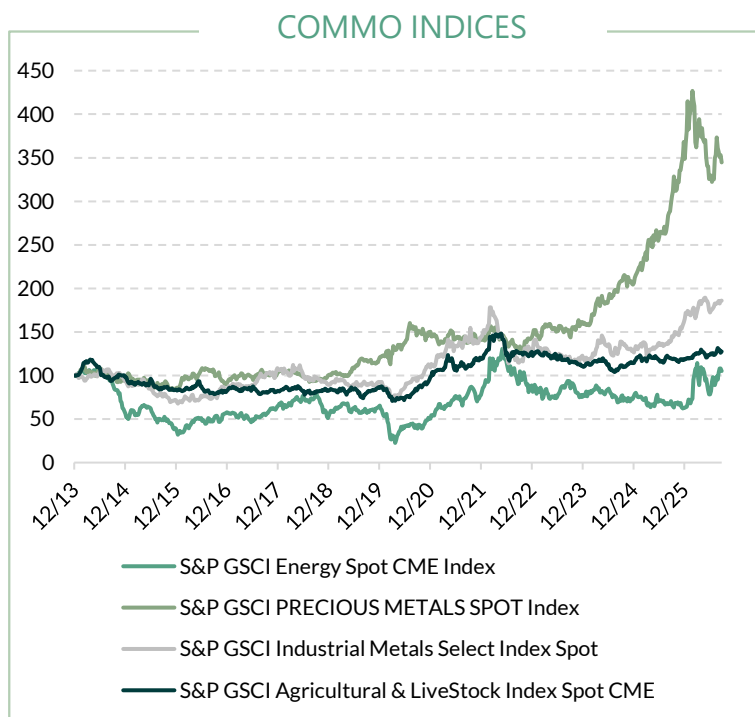


COMMODITIES & CURRENCIES



Commodities

OIL SURGED WHILE PRECIOUS METAL DECLINED



- Brent surged (Brent Crude future +10.9%) this month, with a peak at \$108.75/bbl on September 15 before partially retracting as the pipeline restart process began
- Precious metals declined (-6.9%) with the sharp rise in US Treasury yields as energy-driven inflation expectations shifted

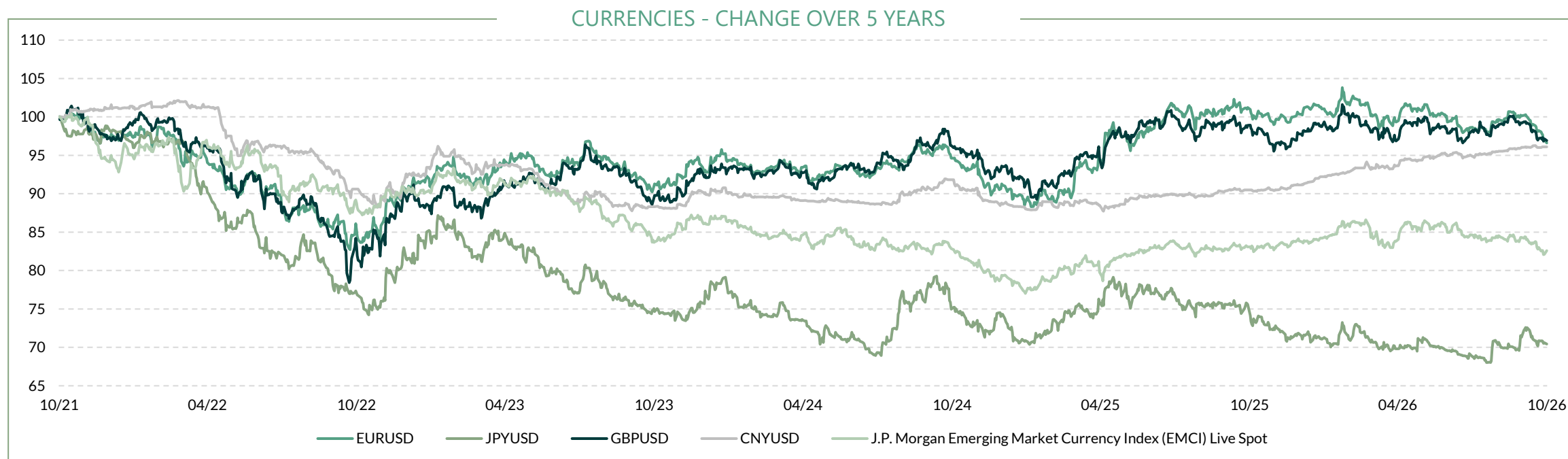
Past performances are not a reliable indicator of future performance and are not constant over time.

Sources: Bloomberg, ODDO BHF AM SAS, JP Morgan | Data at 25/09/2026



Currencies

DOLLAR STRENGTHENS



- The EUR/USD fell to its lowest point since May 2025, at USD 1.13, as the market's focus remained squarely on the Fed-ECB rate differential widening in the dollar's favor
- USD/JPY (-1.5%) leaves the yen as the only G10 currency to have strengthened against the dollar on a month-end basis

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 05/10/2026



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

- Slightly short equities
- Slightly short duration
- Slightly long credit risk

OVERWEIGHT

- Short duration Investment Grade and High Yield
- Gold and base metals

UNDERWEIGHT

- Overall equities
- Overall 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%

Global Equities

Change from last
GIC meeting



		UW	Neutral	OW	Key Messages
Overall Portfolio	Active Risk	-1			
Regions	DM	-1			
	US		0		US stocks improved relatively on a fundamental basis
	Eurozone	-1			Cautious on French stocks in a potential loss of investor confidence
	UK	-1			
	Switzerland		0		
	Japan		0		
	EM		0		
	China		0		
	Asia Ex-China		0		
	LatAm	-1			
Factors	Large vs. Small		1		Geopolitics, monetary policy and technicals support large caps
	Value vs. Growth		0		
	Cyclical vs. Defensive		0		
	Momentum vs Low vol		0		

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, 100 bps of additional hikes priced overdone
	Semi Core Europe	-2	←	●	●	●	Strong UW France, adverse trend expected to continue
	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	●	●	0	●	●	
		Flattener		Neutral	Steepener		
Curve Positioning	US 2/10yrs	●	●	0	●	●	
	US 10/30yrs	●	●	0	●	●	
	Core Euro 2/10yrs	●	●	0	●	●	
	Core Euro 10/30yrs	●	●	0	●	●	

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 trends so far, stable operational trend
	Subs. EUR		-1				Decompression could accelerate
	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				1		Keep cash in an overall more cautious stance

FX & Commodities

		UW		Neutral	OW		Key Messages
Currencies	EUR/USD			0			Influencing factors more balanced
	EUR/GBP				1		Short GBP, on UK fiscal weakness
	EUR/JPY		-1				Long JPY, on BoJ rate hikes expectations
	EUR/CHF			0			
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



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 Quartiles¹

Q1
YTD

Q1
1Y

KEY CHARACTERISTICS



Inception Date

August 2025



Benchmark

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



AuM

€ 123 M



Geographic area

Global



SFDR²

Article 6



SRI³

①②③④⑤⑥⑦

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

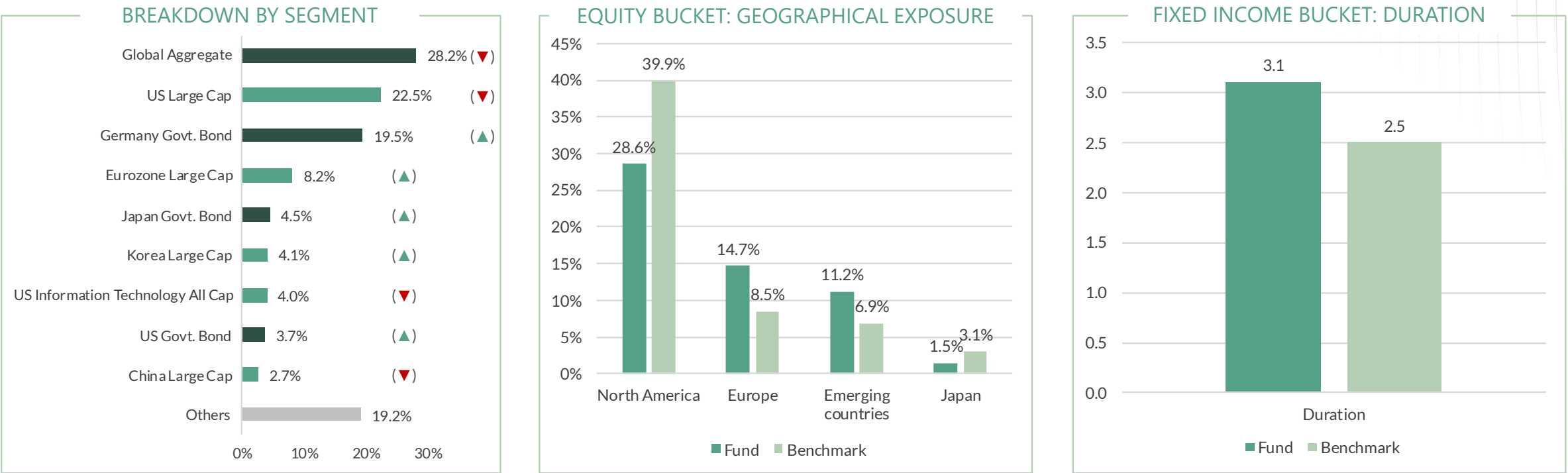
There is no guarantee that the investment objectives will be reached. For detailed information, please refer to the prospectus. It doesn't constitute an investment recommendation. The fund bears a risk of capital loss. Past performance is not a reliable indication of future returns and is not constant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

Source: ODDO BHF Asset Management. Data as of 30/09/2026 | ¹ CRw-EUR share class, Morningstar Category: EUR Moderate Allocation - Global. | ² A definition of SFDR can be found on page 41 (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



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

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 AM SAS. Data as of 30/09/2026. | Data in % of total asset. Current equity and bond quotas are net of hedging instruments as of 30/09/2026. 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

September was marked by a further escalation of geopolitical tensions in the Middle East, which led to a continued rise in energy prices and a noticeable tightening of financial conditions. While there appeared to be no credible prospect of a resumption of talks between Washington and Tehran, the conflict spread to the strategic Bab al-Mandab Strait, and the Houthis simultaneously stepped up their attacks on Saudi energy infrastructure, leading to the temporary closure of the Saudi East-West oil pipeline, the main route bypassing the Strait of Hormuz. Despite a partial resumption of oil flows towards the end of the month, the disruptions affecting exports of refined products remained significant. Against this backdrop, oil prices remained extremely volatile, with WTI rising by 5% to reach USD 90 per barrel (for the November 2026 contract), reigniting concerns about a sustained resurgence of inflationary pressures worldwide.

From a macroeconomic perspective, this energy shock exacerbated existing inflationary pressures, without, however, undermining the momentum of growth. In both the United States and Europe, economic indicators continued to exceed expectations. The US composite PMI surged to 58.4, its highest level in more than five years, whilst the Euro Zone's composite PMI reached 53.1, a level not seen since April 2023. At the same time, price rises spread to all developed economies. In France, for example, harmonised inflation stood at 3.4%, above consensus expectations.

Faced with this combination of sustained economic activity and persistent inflation, the major central banks maintained a resolutely hawkish stance. The European Central Bank raised its deposit rate by 25 bps to 2.50%, while the US Federal Reserve raised the Fed Funds rate target range to 3.75–4.00%, reaffirming its commitment to maintaining tight monetary conditions for as long as necessary. The Bank of Japan also raised its key interest rate by 25 bps, bringing it to 1.25% – its highest level since 1995. The apparent growing determination to maintain a tight monetary policy has led to significant pressure on the bond markets.

Against this backdrop, the MSCI World Index (in local currencies) ended September down 1.2%. The main indices in developed markets fell: the S&P 500 and the EURO STOXX fell by 0.5% and 2.1% respectively, while the CAC 40 and the DAX both ended the month down by more than 4%. Beneath the surface, however, significant sectoral disparities emerged. The technology sector, in particular, outperformed significantly thanks to the resurgence of interest in the semiconductor sector, with the SOX index rising by 9.6% over the month.

Bond market volatility remained high. The yield on 10-year US Treasury rose by 54 bps to 5.28%, while the yield on the 10-year German Bund rose by 26 bps to 3.58%. Concerns over the French budget also led to a significant widening of the spread between the French OAT and the German Bund, with the spread exceeding 120 bps, compared with around 80 bps at the end of the previous month. On the European credit market, the tension observed in sovereign markets spread slightly to investment grade spreads, which widened by 12 bps to reach 91 bps. The high yield segment, meanwhile, ended the month with a spread of 320 bps, up 50 bps. Finally, on the foreign exchange market, the euro was shunned by investors, falling by 2.5% and 3.5% against the dollar and the yen respectively.

Within the portfolio, in response to mounting macroeconomic risks and the tension observed in the bond markets, exposure to equities was gradually reduced, notably through the purchase of option hedges on the EURO STOXX 50. The activation of these safeguards during the market downturn earlier in the month led to equity exposure being reduced to 48%, before being gradually increased to 56% by the end of the period. A number of tactical adjustments were also made, notably through further profit-taking on US technology shares, which now account for just 4% of the portfolio. However, the technology bias also remained present through Korean equities, which account for 4.2% of the portfolio.

In the bond market, positions in Schatz futures were reintroduced in response to the significant tension observed in this part of the yield curve, which we now consider to be excessive. The portfolio's modified duration was thus increased to 3.1 years, compared with 2.5 years for the 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 30/09/2026. | The definitions of Investment Grade and High Yield can be found on page 41 (Glossary). | Commentary written on 30/09/2026.



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?](#)



MONTHLY INVESTMENT BRIEF

- [July 2026 - Energy revolution: Don't be lost in transition](#)
- [June 2026 - Riding the Tech Wave](#)
- [May 2026 - Looking beyond the conflict](#)
- [April 2026 - A lull under pressure](#)
- [March 2026 - Don't lose track of the goal in the 'fog of war'](#)

Source: ODDO BHF AM



VIDEOS

- #FocusOn • [Active ETFs: A global trend that is gaining momentum in Europe](#)
- #OnDemand • [Private Assets Academy](#)



SUSTAINABLE INVESTING

- [Exclusion Policy](#)
- [Responsible Investment Policy](#)
- [Annual PRI reporting](#)



MARKET VIEWS

- 22.09.26 • [A new era of higher interest rates](#)
- 04.09.26 • [Focus on emerging markets – Where growth meets innovation](#)
- 14.07.26 • [Energy security – why electrification has become a geopolitical imperative](#)
- 08.07.26 • [White Paper – Transition finance: a key tool for transforming the global economy](#)
- 12.06.26 • [Rethinking the ETF: A vehicle, not a strategy](#)



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

TRANGLE

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.

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.

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