



# Investment Strategy

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**February 5th, 2026**

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# Executive Summary

## MACROECONOMIC OUTLOOK

The **geo-economic context of 2026** appears to be shaping up as a **continuation of 2025**. It will still be heavily influenced by the **current US administration's aggressive policies**, nominal economic growth of over 6% worldwide, **long-term interest rates generally above 3%**, **households under pressure** in all economies, **high commodity prices**, and solid performance in local currency terms for most **stock market index**.

- **In the United States**, the US administration continues to capitalize on its economic and military supremacy to **maximize its interests internationally** (e.g., Greenland, punitive tariffs, military intervention, etc.). Only **China** seems to have the means and the will to **resist it**. The Trump administration's domestic policy is **increasingly buying votes** in order to win the midterms at the end of 2026. However, the consequences of US policy have eroded the credibility of the dollar and US soft power internationally. The appointment of **Kevin Warsh** as Fed chair strengthens the status of the dollar and decrease the risk of de-dollarization.
- **Nominal economic growth is high** in developed and emerging countries, driven by US consumption, the long-term investment cycle, public deficits, and the fluidity of corporate financing. Given public deficits, inflation above 3% in most economic zones, and solid economic growth, **upward pressure on long-term rates is likely to persist**.
- **Global stock market indexes continue to rise**. On one hand, they offer real protection against inflation in the long term. On the other hand, earnings growth was solid in 2025 and is expected to be so again in 2026. It is driven in particular by innovations in information technology, an interest rate environment favorable to financial stocks, and more broadly, favorable economic outlook for a few other sectors.
- **Household purchasing power remains under pressure**, increasing the risk of populist policies and protectionism in Europe, the United States, and Asia.
- **Commodity prices remain high**, driven in particular by the appreciation of precious metals in response to the depreciation of the dollar and the vigorous infrastructure investment cycle.

## ASSET ALLOCATION

In February 2026, **our asset allocation remains largely unchanged**.

- Cash, provided it is interest-bearing, offers a return that is just about equal to inflation, or at least equal to it, depending on the region.
- We maintain our favorable view **on notes** given current yield levels, while favoring **short and medium durations** to partially hedge against the risk of a yield curve steepening. Beyond that, our investment hierarchy remains largely unchanged: we favor IG Corporate over HY and sovereign bonds and notes.
- **Our view on equities remains positive across all geographical regions. We are slightly refining our equity exposure:**
  - First, January's currency movements are prompting us to **pay closer attention to end investors' sensitivity to the dollar** against their reference currency. Second, the risk of dollar depreciation is leading us to **invest in what is unique in each currency zone**. More incidentally, companies whose proportion of costs in dollars, yen, or yuan is higher than the proportion of revenue in strong currencies such as the euro are to be favored.
  - More generally, our **sector recommendations remain largely unchanged**: banks (growth, healthy balance sheets, deregulation, high interest rates), **aerospace and defense, and technology stocks**, although these are volatile due to uncertainty over the distribution of AI's added value. We are adding **oil majors** (US pro-hydrocarbon policy, positive refining margins, high oil prices, healthy balance sheets).
- Finally, although gold rose sharply in January, **we maintain our favorable view on gold**. It serves as a safe haven asset and is partially replacing the dollar in monetary global reserve.



# Our investment choices (1/4)

	POSITION	RATIONALE	RISKS
EQUITIES	MAINTAIN		
	Overweight exposure to equities	<ul style="list-style-type: none"> <li>Strong start of the 4Q25 earnings season, particularly in the United States.</li> </ul>	<ul style="list-style-type: none"> <li>Sharp rise in oil prices likely to slow economic growth and trigger a fly-to-quality</li> <li>Sharp rise in long-term interest rates</li> </ul>
	Overweight exposure to US equities	<ul style="list-style-type: none"> <li>International or high-growth stocks preference for investors in euros</li> </ul>	<ul style="list-style-type: none"> <li>Volatility of major index due to the weight of information technology</li> <li>Depreciation of the dollar for foreign investors</li> </ul>
	Overweight exposure to Emerging Market equities	<ul style="list-style-type: none"> <li>China decoupling from the USA benefitting peripheral countries</li> <li>Tech semi-conductors in Asia</li> <li>Diversification from core geographies</li> </ul>	<ul style="list-style-type: none"> <li>Structurally decelerating growth in China</li> <li>Spill-overs to Chinese financial institutions from turmoil in the real estate sector</li> <li>U.S. customs retaliatory measures</li> </ul>
	Overweight exposure to EU equities	<ul style="list-style-type: none"> <li>Economic growth and favorable rates for banks</li> <li>Advanced and export-driven industry (aerospace &amp; defense, tourism, infrastructure)</li> <li>German recovery plan</li> </ul>	<ul style="list-style-type: none"> <li>Poor allocation of public spending</li> <li>Spillovers related to the war in Ukraine</li> <li>Excessive appreciation of the euro for export-oriented firms</li> <li>Higher sensitivity to hydrocarbon prices compare to the United States</li> </ul>
	Overweight exposure to Japan equities	Focusing on sectors benefitting from the Takaichi government's stimulus plan (industrials including energy, tech, defense), the steepening of the yield curve (financials) and a depreciated Yen (exporters)	<ul style="list-style-type: none"> <li>Relative majority for the PLD on February 8, 2026</li> <li>Faster reappreciation of the Yen (global conflict, recession, more aggressive Bank of Japan),</li> </ul>



# Our investment choices (2/4)

	POSITION	RATIONALE	RISKS
FIXED INCOME - SOVEREIGNS		MAINTAIN	
	Underweight exposure to U.S. sovereign bonds	<p>Yield curve steepening to continue mainly driven by higher long-term yields</p> <ul style="list-style-type: none"> <li>• Key rate cuts to continue but more gradually and above all, driven by political pressure</li> <li>• Money market rates and short-term rates (until the 2Y maturity) have already priced in most of the anticipated future rate cuts</li> <li>• Long-term rates (5 years and beyond) are expected to increase, driven by solid growth outlook, and a higher term premium due to higher inflation, and a widening budget deficit</li> </ul>	<ul style="list-style-type: none"> <li>• Recession, sharp slowdown, or anticipation of a major financial or economic shock causing rates to fall</li> </ul>
	Underweight exposure to European sovereign bonds (continue to exclude France)	<p>The yield curve is expected to continue steepening, driven exclusively by rising long-term rates.</p> <ul style="list-style-type: none"> <li>• Unlike in the United States, the cycle of rate cuts is over in the Eurozone and the deposit facility rate will remain stable at 2%.</li> <li>• Money market rates and short-term rates (up to 2 years) have priced in this stable monetary policy trajectory.</li> <li>• Longer-term rates (5 years and above) should continue to rise, driven by stronger growth (a recovery in investment in Germany and, more broadly, thanks to the rise of AI and defense spending) and a higher term premium due to worsening budget deficits</li> </ul>	<ul style="list-style-type: none"> <li>• Recession, sharp slowdown, or anticipation of a major financial or economic shock causing rates to fall</li> <li>• Deflation imported from China or linked to the appreciation of the euro causing rates to fall</li> </ul>



# Our investment choices (3/4)

	POSITION	RATIONALE	RISKS
FIXED INCOME - CREDIT		UPLIFT	
	<ul style="list-style-type: none"> <li>Exposure to US IG credit to be overweight</li> <li>Exposure to EU IG credit to be overweight</li> </ul>	<ul style="list-style-type: none"> <li>Current yields that can absorb a gradual steepening</li> <li>Focus on short and medium-term durations</li> <li>Balance sheets remain solid for IG securities, investor demand remains strong, and the economic outlook in the United States and the Eurozone remains favorable.</li> </ul>	Significant deterioration in public finances amid strong growth and inflationary pressures, leading to a sharp rise in interest rates
		MAINTAIN	
	<ul style="list-style-type: none"> <li>Underweight exposure to US high-yield credit</li> <li>Underweight exposure to EU high-yield credit</li> </ul>	<ul style="list-style-type: none"> <li>Weakness in certain market segments due to ongoing polarization within the economy</li> <li>Concerns about subprime and private credit (particularly in the US), even though events remain largely idiosyncratic for the moment</li> <li>Low spreads that do not adequately compensate for underlying risks</li> </ul>	<ul style="list-style-type: none"> <li>Sharper contraction in economic growth</li> <li>Prolonged technical correction in equity markets</li> <li>Risk of contagion possible in a global context of risk aversion if geopolitical turmoil worsens</li> </ul>
	Exposure to emerging market credit at neutral	<ul style="list-style-type: none"> <li>Diversification</li> <li>Structural weakening of the USD</li> </ul>	Exposure to emerging market credit at neutral



# Our investment choices (4/4)

	POSITION	RATIONALE	RISKS
OTHER		LIFT	
	Overweight Exposure to oil	Oil equilibrium price at \$60/barrel (Brent) OPEC+ to keep production quotas unchanged in early 2026 Geopolitical risk premium returns Part of Indian and Chinese demand returns to the "legal" market	Weaker demand or more aggressive moves by OPEC+ to increase production could put further downward pressure on prices  An effective ceasefire between Russia and Ukraine would put even more downward pressure on oil prices  An easing of tensions in Iran
		MAINTAIN	
	Underweight Exposure to USD	The policies of the US administration (weakness of the rule of law, questioning of the independence of the Fed, trade war, risk on the USD's status as a global reserve currency)  The Fed's current cycle of rate cuts, while other central banks have reached their terminal rates (ECB, SNB)	Any reversal by the US administration of its current policy imperatives could help mitigate the depreciation of the USD.
	Overweight Exposure to gold	Intensification of geopolitical turmoil  Structural strength remains intact (purchases by central banks in emerging countries, inflationary risks, de-dollarization)	Risk of technical correction given recent strong performance





# What if?

## RISK-ADVERSE SCENARIO

### IF THIS HAPPENS

- Prolonged correction on equity markets
- Oil supply glut (faster return of Venezuelan oil to global markets, continued increase in OPEC+ production quotas) allowing inflation to return more quickly to its target in the US (or fall below its target in Europe)
- Escalation of the trade war
- Geopolitical escalation (Latin America, Greenland, Ukraine, Iran, Taiwan)
- Materialization of risks of slowing growth or reflation in the United States, more restrictive Fed policy
- Liquidity crisis in certain segments of the US credit market
- Surprisingly low growth in the EU (sluggish domestic demand, delay in the implementation of the German stimulus plan)
- Chinese domestic demand fails to recover
- Disappointing implementation of the Japanese stimulus plan
- The Trump administration interferes more with the Fed in the conduct of monetary policy or further weakens the rule of law
- French sovereign risk becomes uncontrollable

### WHAT WE SHALL DO

- **Decrease** equity exposure, **Increase** EU/US sovereign bonds exposure
- **Increase** EU/US sovereign bonds exposure, **Increase** EU/US IG credit exposure
- **Decrease** equity exposure
- **Decrease** equity exposure, **Increase** EU/US sovereign bonds exposure
- **Decrease** US equity exposure
- **Decrease** US HY credit exposure
- **Decrease** EU equity exposure
- **Decrease** EM equity exposure
- **Decrease** Japan equity exposure
- **Decrease** USD exposure, **Decrease** exposure to US sovereign rates, **Increase** exposure to gold
- **Increase** exposure to German sovereign rates (the ECB intervenes to calm markets)



# Underlying rates and currencies forecasts

Rates & Currencies	2025 (Effective on 31 dec. 2025)	2026 (Forecast)		Rationale and additional details
		Now	Last (if changed)	
ECB Deposit Facility Rate	2%	2%		Inflation at the 2% target in the Eurozone, with a risk of falling below 2% given the appreciation of the euro
2Y Bund yield	2.12%	2% / 2.25%		Aligned with the key interest rate + steepening
10Y Bund yield	2.86%	3% / 3.25%		Steepening continues, driven by growth, which is itself enabled by investments (stimulus package, etc.) and the rise in the term premium (deterioration in public finances).
BoE Bank Rate	3.75%	3.25% / 3.5%		Little budgetary leeway. Outlook for slowing inflation. The monetary committee is divided, and future cuts will be more gradual.
SNB Rate	0%	0%		Stable as inflation is on target
BoJ Rate	0.75%	1% / 1.25%		The BoJ's gradual monetary tightening runs counter to the government's pro-Abenomics policy. Ten-year rates above 2%, at their highest in 30 years, are attracting Japanese savers.
FED Funds Rate	3.5% / 3.75%	3%		FED continues monetary tightening despite strong economic conditions (political pressure)
2Y UST yield	3.47%	3.5%		Fed Funds rate is largely priced in at the 2-year horizon
10Y UST yield	4.17%	4.25% / 4.5%		Expected rise in long-term rates (strong nominal growth, term premium, public deficit, political pressure on the Fed to lower rates)
EUR/USD	1.17	1.2 / 1.25	1.2	Trump's destabilizing policies continue to weigh on the USD, but US supremacy should limit the extent of depreciation in 2026 compared to 2025.
EUR/GBP	0.87	0.86 / 0.90		ECB stability, continued BoE rate cuts, and economic growth differential
EUR/CHF	0.93	0.93 / 0.94		The ECB and SNB have reached their terminal rates.
EUR/JPY	184.01	181 / 187		Cross-rate parity
USD/JPY	156.71	150 / 155		In the short term, Abenomics is weighing more heavily on the Yen than pressure from the BoJ. Over the course of the year, interventions in the foreign exchange market and the gradual tightening of the BoJ's monetary policy ultimately stabilized the yen.

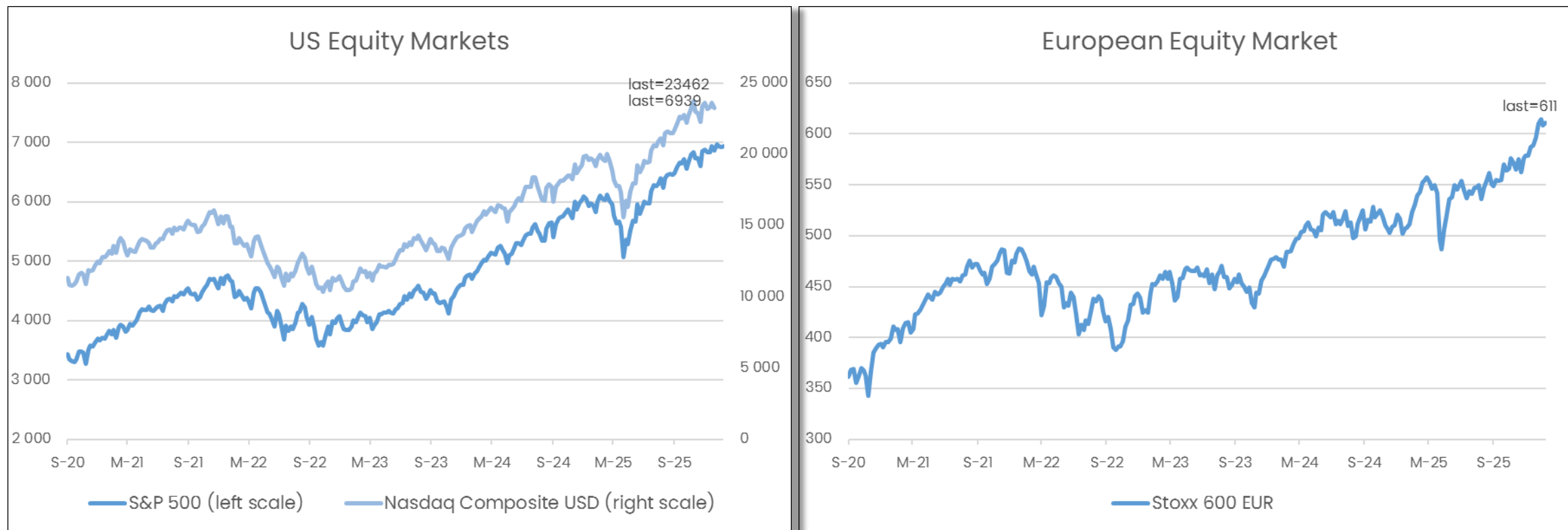




# Equities

## Equity markets supported by earnings growth

- High-margin companies have absorbed the tariffs, and the most sensitive ones are adapting.
- Investors are focusing on earnings growth, which is expected to be strong in 2026. According to LSEG I/B/E/S as of January 30, 2026, S&P 500 earnings growth is expected to reach 15.1% in 2026, after 13.7% in 2025.
- The depreciation of the dollar and the yen against the euro is favorable for multinational stocks and US and Japanese exporters.
- The drivers of stock market performance are likely to be more varied in 2026 than in 2025, when banks and information technology stocks accounted for most of the gains.

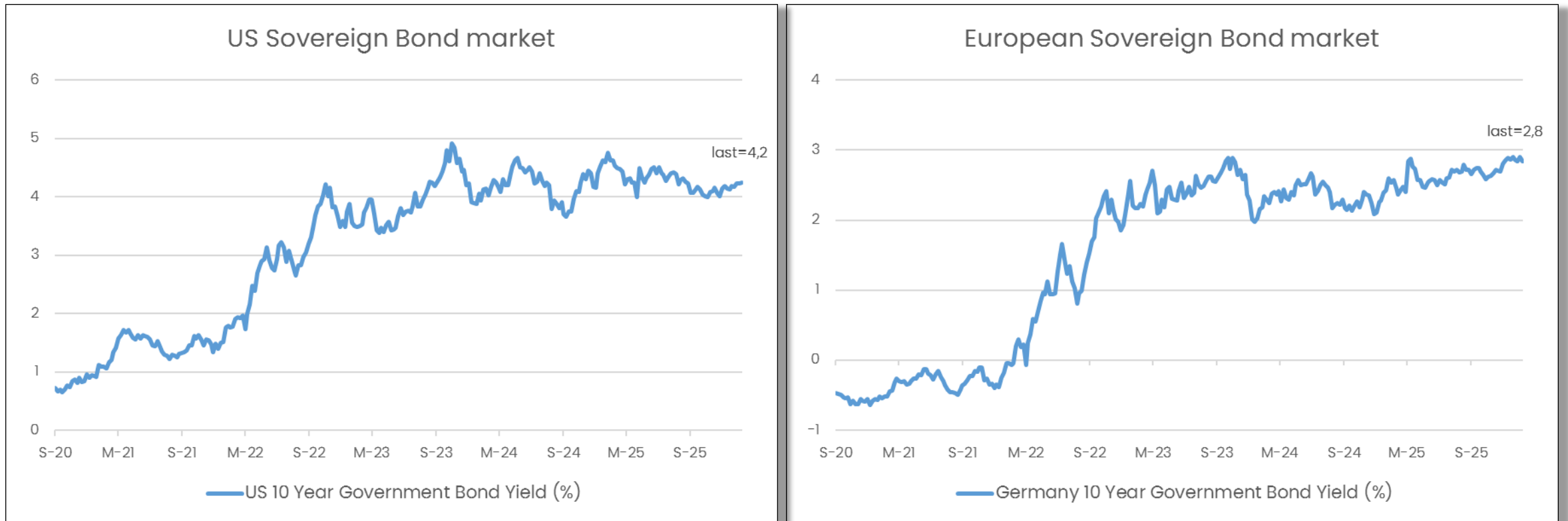




# Sovereign Bonds: US and Germany

US and European sovereign curves are expected to steepen further, aided in the US by continued Fed rate cuts and in both regions by rising long-term rates.

- In the United States, the rise in long-term rates will be fueled by solid growth prospects, inflation around 3%, and a rising term premium (excess supply of debt due to worsening budget deficits and political interference in monetary policy).
- In the Eurozone, with the ECB having reached its terminal deposit rate, the steepening of the yield curve will be driven exclusively by rising long-term rates (improved growth prospects and a rise in the term premium resulting from the excess supply of debt to fund the German stimulus plan).

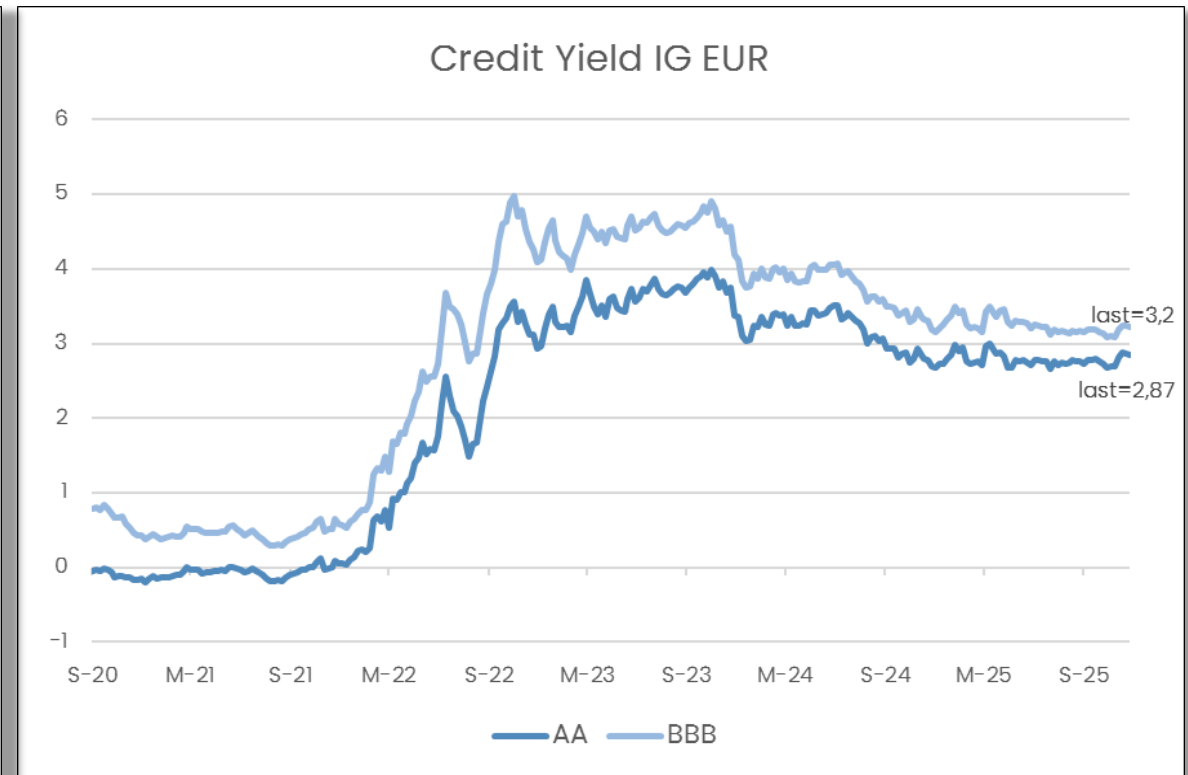
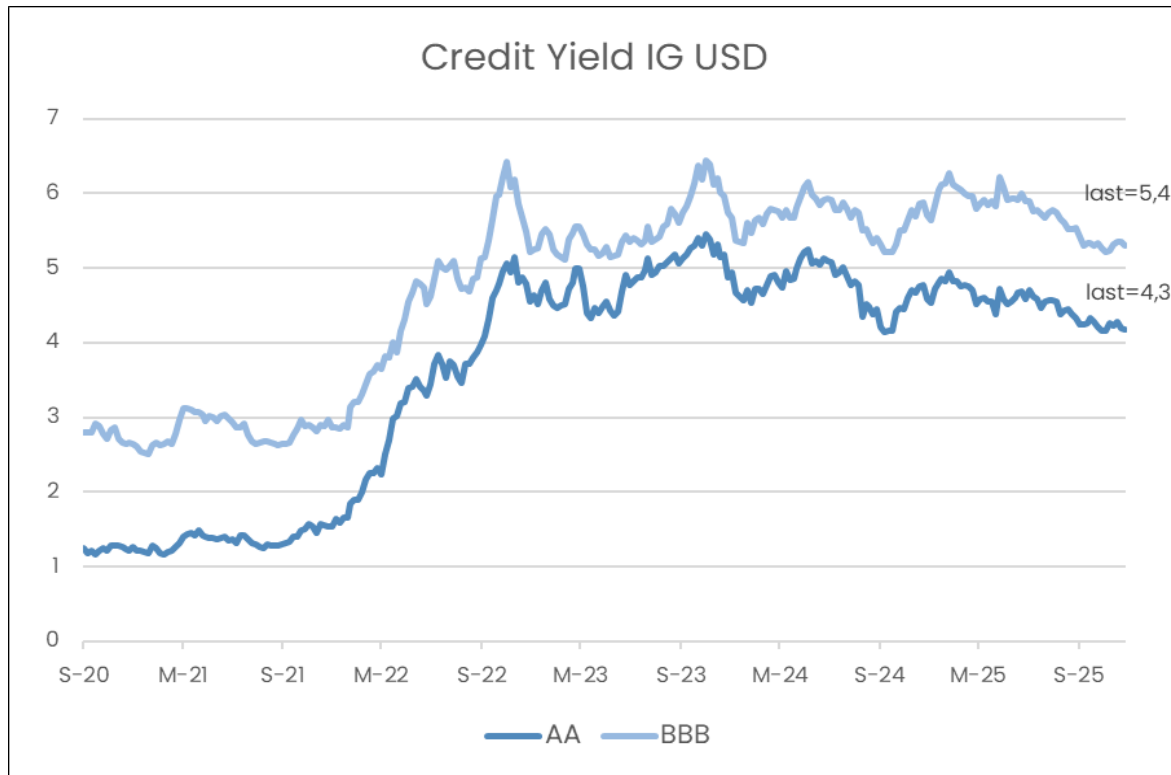




# Credit Investment Grade

Credit spreads remain tight, hovering around historic lows, while the steepening curve imply a risk of partial capital loss.

- We have upgraded our view on IG credit in both the US and the eurozone, with current yields expected to absorb a gradual steepening of short- and medium-term durations.
- The primary market has remained very active for several months, with good coverage ratios above 2x/3x across all sectors, maturities, and ratings in January 2026.
- We have strengthened our preference for high-grade corporate bonds over sovereign bonds and high-yield bonds.
- S&P forecasts that the global default rate will reach 3.7% by September 2026, up from 3.5% a year earlier.

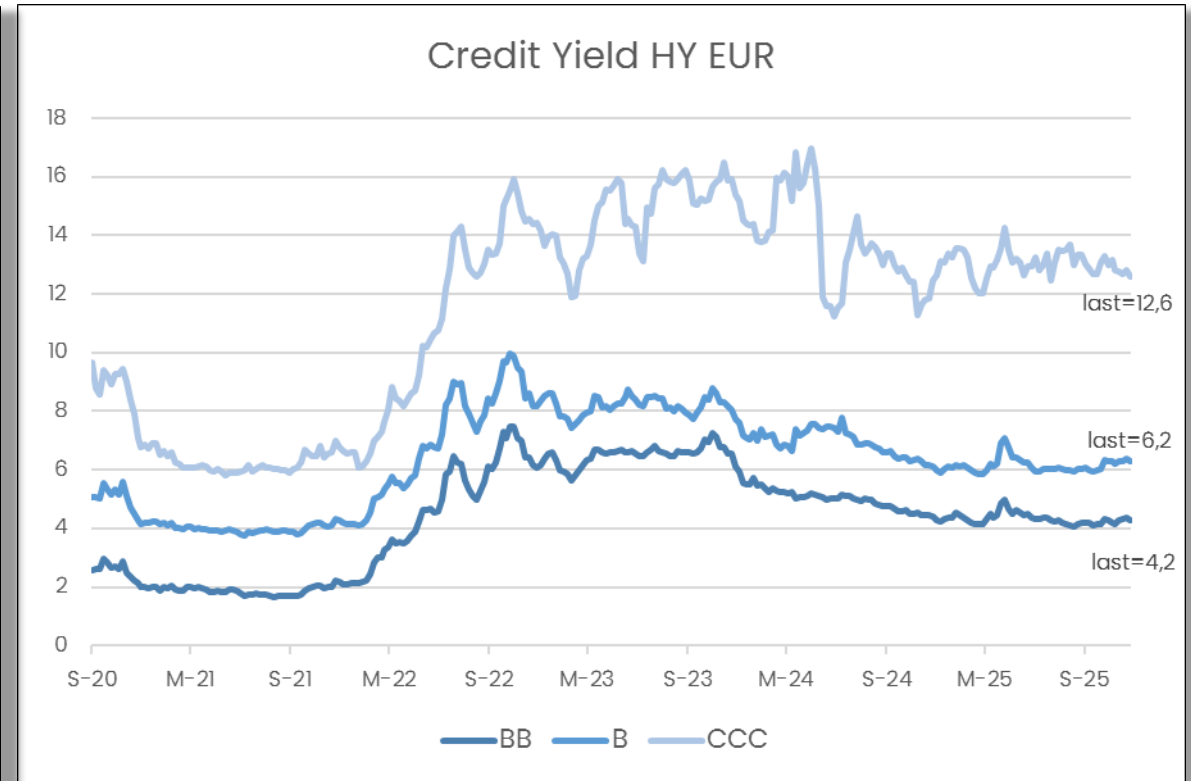
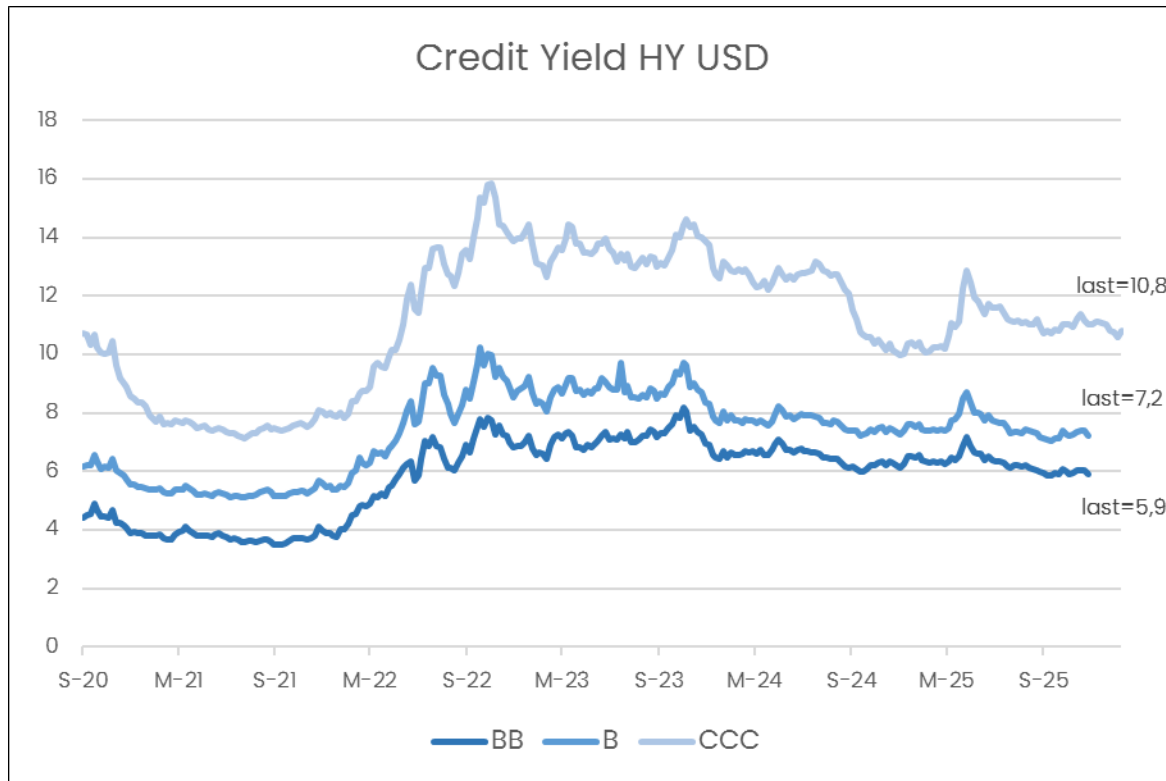




# Credit High Yield

Credit spreads remain tight, hovering around historic lows, and the steepening curve imply a risk of capital loss.

- We have upgraded our view on IG credit in both the US and the Eurozone, as current yields should absorb a gradual steepening of short- and medium-term durations.
- The primary market has remained very active for several months, with good coverage ratios above 2x/3x across all sectors, maturities, and ratings in January 2026.
- We have strengthened our preference for high-grade corporate bonds over sovereign bonds and high-yield bonds.
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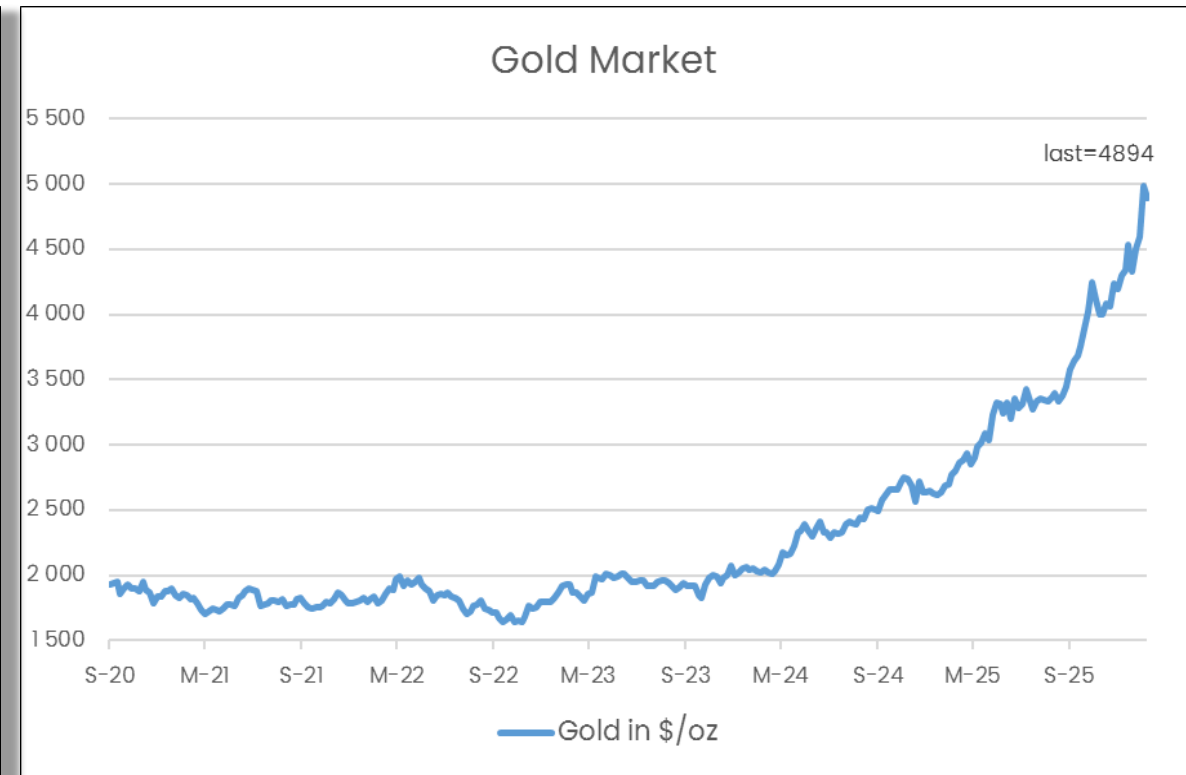
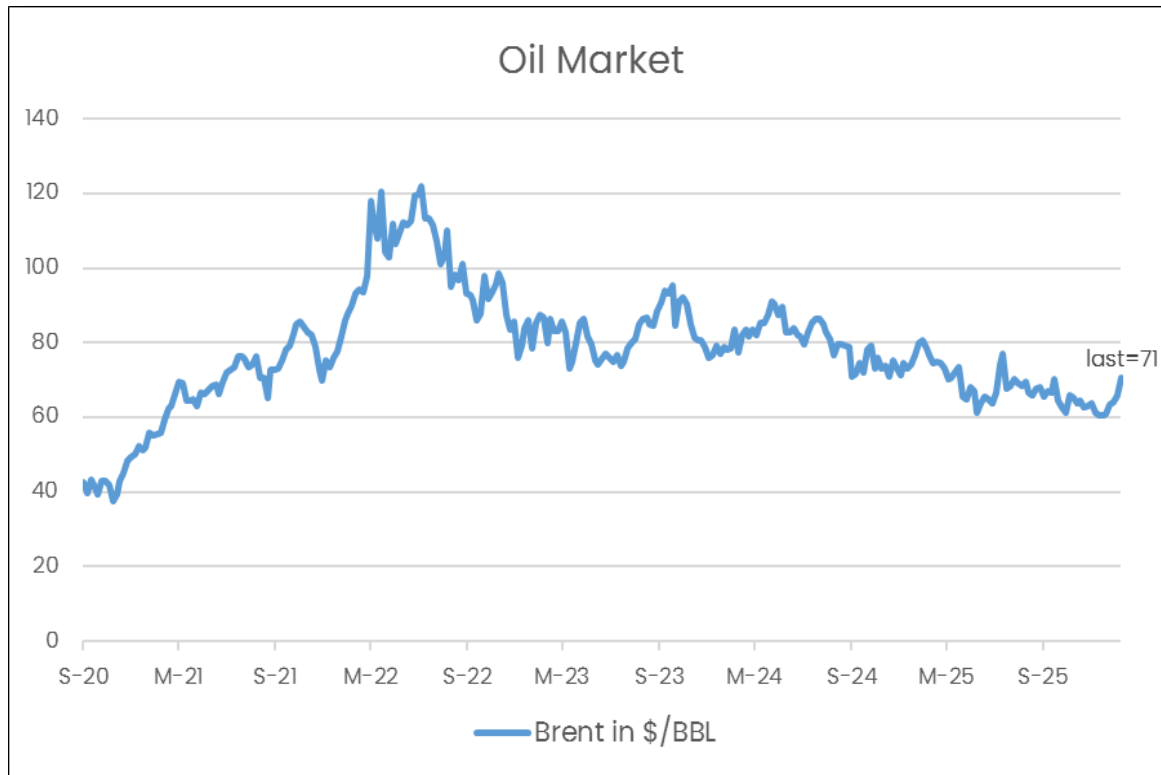




# Commodities

Oil prices rose sharply in January 2026, with the return of the geopolitical risk premium. At the same time, gold reached new heights and began to be highly volatile since 29<sup>th</sup> January.

- \$ 60/barrel seems to be a price without geopolitical risk premium.
- However, the risk of a blockade of the Strait of Hormuz is very real and explains why Brent is trading at over \$65.
- Although gold has undergone a sharp correction since its peak on January 28, 2026, at \$5,417, we remain positive in the medium term due to its status as a safe haven.
- The structural upward trend in gold prices is likely to continue, supported by the renewed weakness of the US dollar due to the disruptive nature of the Trump administration's policies, purchases by emerging market central banks, and intensifying geopolitical tensions.

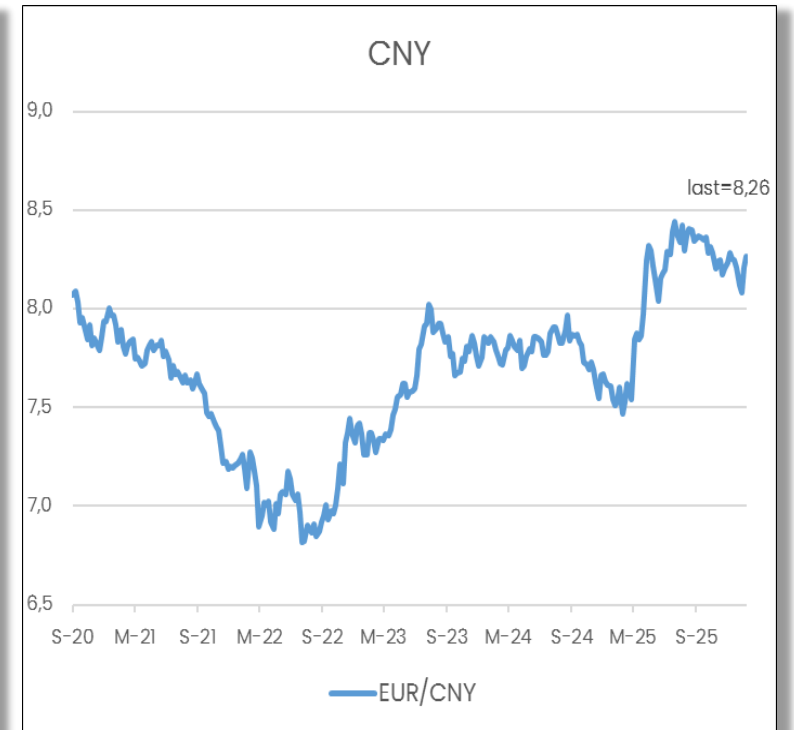
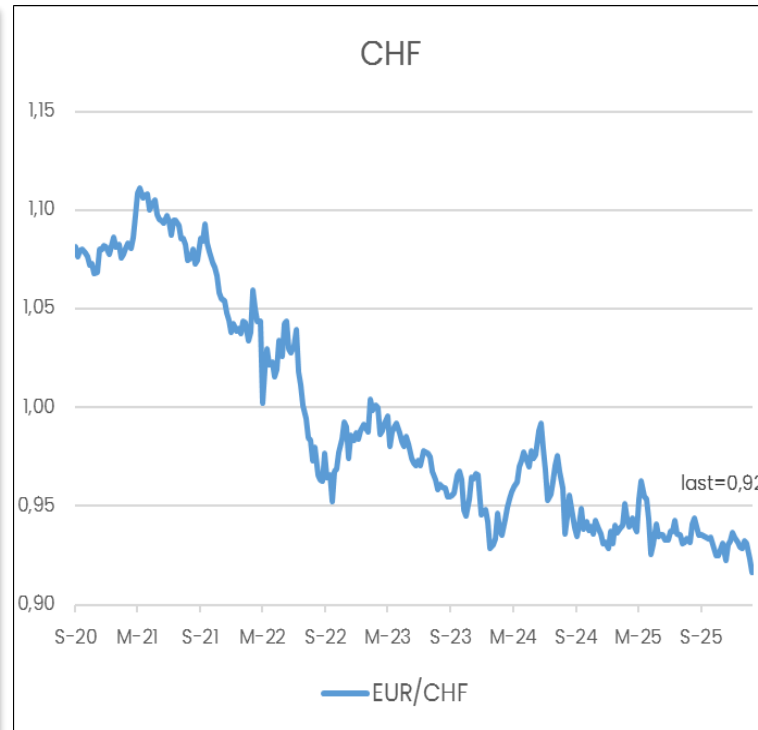
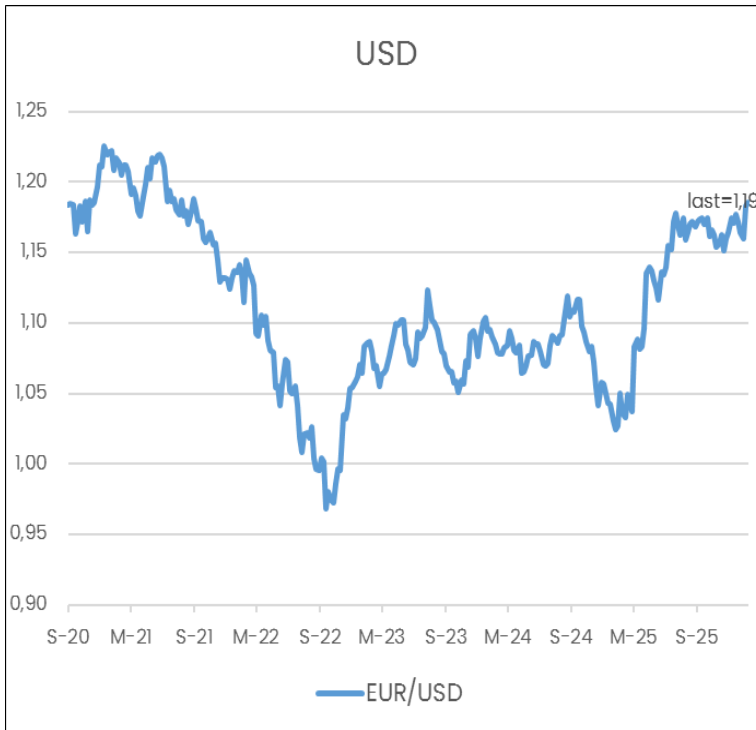




# Currencies

## USD depreciation expected to continue slightly after a sharp correction in January 2026

- The Trump Administration's interference in the conduct of monetary policy will continue to weigh on the USD
- In Japan, the Yen is torn between the new government's policies weighing on its value, and the BoJ's determination in fighting inflation. Overall, had the global steepening trend been absent, the newest rate hikes by the BoJ would have already had started to lift the Yen back up again
- Foreign exchange rate risk management remains key for European investors looking to diversify on the US or Japanese markets
- EUR/CHF should remain stable around its current level as the ECB and SNB rate-cutting cycles are over and as Switzerland faces contradicting forces (pressures to appreciate the FX rate from the Trump administration, and at the same time, the will to use FX as a mean to stabilize prices)







# Investment recommendations

Two funds to favor in this context: Hugau Obli 1-3 & Richelieu Family

## Hugau Obli 1-3 (1 share FR0010613521)

### Selection of issuers (good credit quality)

- 1 • Focus on credit quality rather than seniority: for example, prefer a Total or BP hybrid bond to a high-yield bond with the same maturity.

### Selection of issues offering optimized risk/return profiles

- 2 • Foreign currency bonds (main countries) hedged against currency risk with a premium.  
• Positions in bonds with a high probability of call, primary market and market opportunities.  
• Non-index management allowing for a wider choice of issuers.

### Active duration management

- 3 • Hedging of interest rate risk (forecast or in the event of a shock) in order to control volatility.  
• Arbitrage between fixed and variable rates based on the ECB's monetary rate forecasts.

Date as of 01/30/2026	Cumulative performance					Annualized performance	
	1 month	3 months	6 months	2025	3 years	1 year	3 years
Hugau Obli 1-3 I	0.59%	0.75%	1.81%	4.27%	16.57%	4.29%	5.24%

In a context of deteriorating exposure to long-term rates, and in order to maintain exposure to the bond market while limiting the impact of the steepening of the curve linked to the rise in long-term rates, we favor the Hugau Obli 1-3 fund.

- **Embedded yield** (as of 01/30/2026): 3.61%

- **Interest rate sensitivity**: 2.232

## Richelieu Family (1 share FR0013179348)

### Types of family businesses

#### Repurchased by an entrepreneur

- Visionary entrepreneur
- Expert in his sector
- Entrepreneurial mindset

#### Owned by founders

- Strong intuitu personae
- Innovative sectors
- Desire to pass on

#### Family-owned for several generations

- Strong corporate culture
- Third-generation family business

### Advantages of family businesses

#### Governance

- Training
- Talent retention
- Long-term vision of management and CEO mandates

#### Financial

- Better debt management
- Better management of dividend distribution
- Anticipation of higher P/E ratios

#### Reputation

- Highly sought-after employers
- Solid and proven business model
- Best market communication strategy

Date as of 01/30/2026	Cumulative performance					Annualized performance	
	1 month	3 months	6 months	2025	3 years	1 year	3 years
Richelieu Family	3.35%	6.14%	7.66%	20.52%	21.93%	17.5%	6.83%

In line with our recommendation to **increase exposure to European equities** following **strong growth figures** in Europe and the rest of the world, we favor the Richelieu Family fund. This fund benefits from the comparative advantages of family-owned companies, while offering exposure to small and mid caps, which are trading at lower valuations than large caps and offer more attractive forward P/E ratios.

### Fund

Hugau Obli 1-3 I - FR0010613521



### Anticipation Flat performance for 2026

3%

### Reminder Perf. 2025 acquired as of 12/31/2025

4.27% (bench + 198 bp)

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