The month at a glance.

August 2026

A macro and market overview, and a fund focus!

EQUITY MARKETS: BEYOND AI LEADERSHIP

The AI theme has driven markets since the beginning of the year. In this regard, 88% of the US index's performance in the first half was generated by the main beneficiaries of the AI investment cycle,[1] led by semiconductors, equipment, and technology infrastructure. **The question we seek to answer this month, therefore, is whether this leadership is sustainable, and what the next potential drivers of performance may be.**

I. Outstanding fundamentals

While the AI theme provided strong support to markets in the first half of the year, the end of the period was marked by heightened nervousness toward its main listed beneficiaries. In an environment characterized by exceptionally high capital expenditure, intensifying Chinese competition, persistently higher interest rates, and growing scrutiny of financing needs, the market adopted a more cautious stance toward the stocks most directly exposed to this investment cycle.

Thus, from the start of the year to the end of July, the S&P 500 was up +10.12%, while hyperscalers were down 0.94%. Over the same period, the equal-weighted S&P 500 rose +13.24%.[2]

88%

The share of MSCI US performance generated by the AI ecosystem in the first half

Bloomberg, as of 30/06/2026

Nevertheless, the earnings season once again confirmed the exceptional nature of the underlying fundamentals. Among the leading hyperscalers, demand for AI-related infrastructure remained very strong, particularly in cloud computing, as illustrated by Amazon, whose AWS revenues reached $42.2 billion in the second quarter of 2026, up 37% year-on-year, and Microsoft, whose Azure annual revenue surpassed $100 billion for the first time.[3] These results also suggest that, beyond the sheer scale of the capex committed, returns on investment are beginning to materialize more clearly.

While the fundamentals of the major AI beneficiaries remain exceptional, their leadership no longer appears quite as exclusive. The broadening of performance already seems to be underway, more clearly in Europe than in the United States: between June and early August, the share captured by the main leaders declined from around 88% to 60% in the US, compared with 46% to 27% in Europe.[4] The market is therefore beginning to look beyond these names to identify new drivers of performance.

(1) TIM, Bloomberg, as of 30/06/2026. Index used: MSCI US.(2) Bloomberg, as of 31/07/2026. Hyperscaler performance is measured by the UBS Hyperscalers Index, composed of Amazon, Alphabet, Meta, Microsoft, and Oracle.(3) Company disclosures.(4) Bloomberg, as of 05/08/2026. Indices: MSCI US and MSCI Europe ex-UK..

> **The fundamentals of the AI ecosystem remain strong, but market momentum is now broadening to other segments.**
>
> **Raphaël Thuin, Head of Capital Markets Strategies**

2. Where do we identify new performance drivers?

In this context, several segments appear to us as likely candidates to take over from the most direct beneficiaries of AI. Europe, in particular, seems to offer more fertile ground for this diversification, as performance there has been less concentrated in companies exposed to AI infrastructure:

— **Technology, beyond the US giants alone**: The refocusing of the AI theme on the United States should not overshadow the position of several European players in critical parts of the value chain. ASML is a prime example in semiconductor equipment, but Europe is also well positioned in other essential segments, notably photonics, connectivity, and certain data-center-related technologies. While not necessarily as directly exposed as the US hyperscalers, these companies are also participating in the expansion of digital infrastructure.

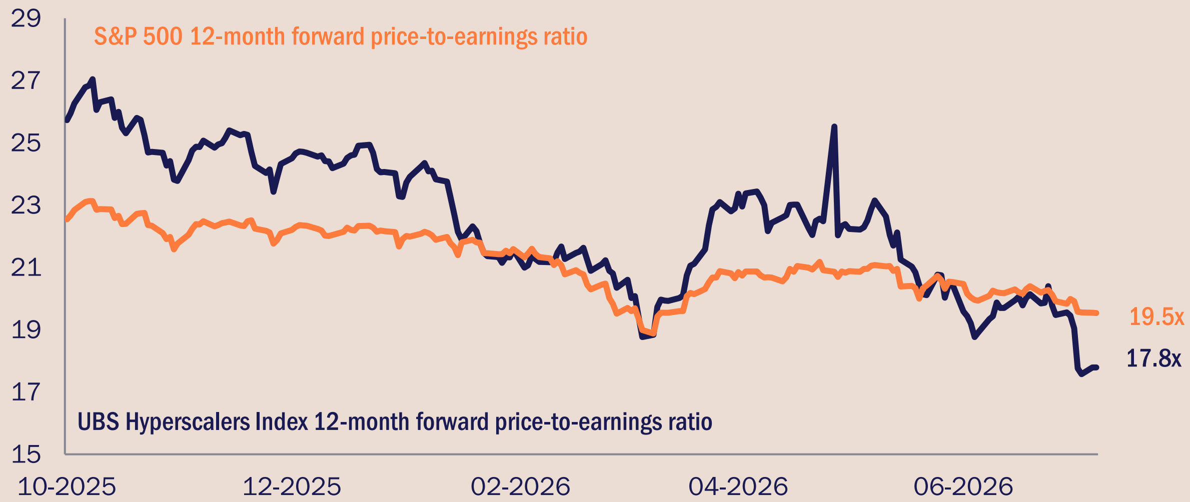
— We also continue to see potential in **certain industrial segments in Europe**, supported both by the return of investment in infrastructure, defense, and productive capacity, and by the very tangible needs generated by AI. Power grids, power equipment, cooling, and automation should benefit from this new phase of the cycle. In our view, Siemens Energy, Schneider Electric, and Legrand are among the players best positioned, in a context where fundamentals are improving and some valuations remain attractive..

— The **banking sector** also appears to us to be a credible driver of performance. European banks generally reported strong results for the second quarter of 2026, often ahead of expectations, accompanied by numerous upward revisions to guidance.[5] This resilience is all the more notable given that it came after an already strong run for the sector, with the European banks index (SX7P) up 7% in the month preceding the releases, followed by a further 7% gain since the start of earnings season.[6] In our view, the backdrop remains supportive, with the sector among the few segments likely to benefit from a higher-rate environment and steeper yield curves, which continue to support revenue and profitability prospects..

— **Finally, we are once again seeing value in certain more defensive segments**, particularly healthcare and consumer staples. In these areas, valuations still appear depressed relative to earnings resilience, cash flow visibility, and the gradual improvement in fundamentals, which could make them more defensive drivers of performance in a market that has become more selective.

(5) TIM, European banks' earnings releases, Q2 2026. (6) TIM, Bloomberg, as of 05/08/2026.

The market is compressing hyperscaler valuations.



Source: Tikehau IM, UBS, Bloomberg, as of 07/28/2026.

Despite still very strong fundamentals, hyperscalers are now trading at a lower multiple than the S&P 500, suggesting that the market is beginning to normalize its expectations around the AI theme.

The comments and analyses reflect TIM's opinion on the markets and their evolution, based on information known to date. This information has no contractual value and does not engage TIM's responsibility. It is based on sources that we consider reliable, but we do not guarantee that it is accurate, complete, valid or relevant, and it should not be considered as such, particularly for the purpose of making an investment decision.

Market evolutions

Past performance does not predict future returns

	Level as of 07/31/2026	1-month evolution	Year-to-date
EQUITIES			
S&P500 (United States, USD)	7 490	-0.06 %	+10.12 %
MSCI World (Global, USD)	4 848	+0.53 %	+10.54 %
Euro Stoxx 50 (Euro zone, EUR)	6 358	+0.59 %	+12.35 %
CAC40 (France, EUR)	8 510	+1.33 %	+7.14 %
SSE Composite Index (China, CNI)	3 832	-5.88 %	-2.00 %
CREDIT & RATES			
European Investment Grade (ER00®)	317	-0.97 %	+0.38 %
US Investment Grade (C0A0®)	3 567	-1.55 %	-0.56 %
European High Yield (HEC0®)	387	-0.34 %	+1.56 %
US High Yield (H0A0®)	1 897	-0.29 %	+1.59 %
German 10-year rate	3.21%	+35 bps	+35 bps
French 10-year rate	4.00%	+35 bps	+44 bps
US 10-year rate	4.73%	+27 bps	+57 bps
COMMODITIES			
Oil (Brent)	90	+23.59 %	+48.10 %
Gold (€/ounce of gold)[1]	3 519	-0.46 %	-4.67 %

- **In equity markets, the main theme in July was the reversal in the AI and semiconductor segment, weighed down by concerns over valuations, Chinese competition, rising interest rates, and capital intensity.**
- **The decline in technology stocks masked stronger performance in the rest of the US market, while European equities outperformed, supported by resilient growth in the euro area.**
- **In July, reflation concerns triggered a sharp rise in long-term global yields despite central banks holding rates steady, against a backdrop of unclear Fed communication regarding its monetary path, while the ECB maintained a restrictive bias.**
- **The renewed US–Iran escalation led to a sharp rebound in oil prices: Brent rose +23.59% in July, bringing its year-to-date gain to nearly 50%.**

Source : Source: Bloomberg, data as of 07/31/2026. Performance calculated with dividends reinvested (Total Return). EUR: Euro; USD: US Dollar; CNY: Renminbi; Bps: basis points. (1) Based on the closing exchange rate of the London market (L160).

The fund **of the month.**

August 2026

TIKEHAU INTERNATIONAL CROSS ASSETS

PORTFOLIO MANAGERS:

Jean-Marc Delfieux

Clovis Couasnon

Main characteristics

ISIN CODE	SRI	MAIN RISKS*	INVESTMENT APPROACH
LU2147879543 R-Acc-EUR	3/7	• Capital loss risk • Credit risk • Liquidity risk • Counterparty risk • Sustainability risk • Dividend risk • Volatility risk	Tikehau International Cross Assets is a flexible fund whose investment strategy lies in actively and discretely managing a diversified portfolio of equities (between -20% and 100% of the Sub-fund's net assets) and debt securities (between 0% and 100% of the Sub-fund's net assets) from all economic sectors and geographical areas.

*For a full description of the Sub-Fund's features, including its investment strategy, all risks and fees charged to investors, please refer to the KID and prospectus of the Sub-Fund, available on the management company's website.

Fund news

We modestly increased portfolio diversification by partially reducing our exposure to large-cap technology stocks following targeted profit-taking.

The capital released from this favorable momentum in technology was redeployed into quality names offering more attractive valuations and lower sensitivity to the artificial intelligence theme, across the healthcare, industrials, and consumer staples sectors. Over recent months, we have therefore increased our exposure to companies with more attractive risk-return profiles, independently of the AI theme, by adding to our positions in Thermo Fisher and Agilent in healthcare, Ametek and Assa Abloy in industrials, and Unilever in consumer staples.

The financial sector, which represented 32.2% of the fund at the end of July (27.7% through the credit bucket and 4.5% through direct holdings in Visa and S&P Global, as well as futures on the Euro Stoxx Banks index), remains the portfolio's largest sector exposure, supported by the strength of the sector's fundamentals and by a dynamic that we continue to view as favorable.

Past performance does not predict future returns

ROLLING PERFORMANCE	1 month	3 months	YTD	1 year	3 years	5 years	Inception
InCA R-Acc-EUR	+0.6%	+3.2%	+3.0%	+4.9%	+20.8%	+14.1%	+54.8%

CALENDAR PERFORMANCE	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
InCA R-Acc-EUR	-0.2%	+4.1%	-0.7%	+9.4%	-1.9%	+5.7%	-9.1%	+7.6%	+6.4%	+5.0%
Prospectus benchmark	+4.7%	+4.5%	-4.2%	+11.0%	-1.7%	+0.9%	+1.5%	+4.8%	+5.4%	+3.8%

Source: Bloomberg, Tikehau IM, data as of 07/31/2026. The investment objective of the Sub-Fund is to achieve, for this Share Class, an annualized performance greater than €STR + 150 basis points, net of management fees, over a minimum investment period of 5 years. The achievement of the investment objective is not guaranteed. The Sub-Fund is actively managed and refers to a benchmark indicator exclusively as an ex-post performance indicator and, where relevant, for the purpose of calculating the performance fee. Historical performance displayed up to December 31st, 2020 relates to past performance of a UCITS merged into the Sub-Fund, with very similar investment strategy and risk profile. Performance net of fees and displayed in EUR. Depending on the investor's country of residence currency, returns may increase or decrease due to currency fluctuations.

MAIN RISKS

The funds managed by Tikehau Investment Management invest in financial instruments that are subject to changes and uncertainties in the financial markets. Any financial investment in a fund involves risks, in particular those summarized below. For a full description of the risks to which the funds are exposed, please refer to the fund prospectuses. Please read the legal documentation for the funds presented in this document (prospectus and DIC) carefully before making any final investment decision.

Risk of capital loss: Capital is not guaranteed. Investors may not recover the value of their initial investment.

Risk of investing in speculative high-yield securities: The Fund should be considered as partly speculative and aimed more particularly at investors who are aware of the risks inherent in investing in securities with low or no ratings, and which may lead to a fall in net asset value.

Credit Risk: Credit risk is the risk that an issuer (or similar money market instruments) held by the Company may default on its interest and principal repayment obligations and the Company may not recover its investments.

Interest-rate risk : The Fund may, at any time, be fully exposed to interest-rate risk, as its sensitivity to interest rates may vary depending on the fixed-rate securities held, leading to a fall in its net asset value.

Discretionary risk : The discretionary management style is based on anticipating the performance of various markets (equities, bonds). There is a risk that the Fund may not be invested in the best-performing markets at all times.

Financial futures risk : As the Fund may invest in derivatives, its net asset value may fall by more than the markets to which it is exposed.

Counterparty risk: The risk of deterioration in the credit quality of the issuer or the default of a market counterparty, leading to a payment default. The default of a counterparty may result in a decrease in the NAV of the Fund. For a description of all risks, please refer to the Fund's prospectus.

Liquidity risk: The liquidity of some of the fund's assets may be low at times, particularly on over-the-counter markets. More particularly in turbulent market conditions, their prices may fluctuate significantly. It may sometimes be difficult to unwind certain positions on favorable terms for several consecutive days.

Sustainability Risks: It is expected that the Portfolio will be exposed to a wide range of sustainability risks. However, due to the broad diversification of the Portfolio, none of these risks individually is expected to have a material adverse financial impact on its value.

Risk associated with a change in tax policy : Any change in the tax laws of the countries where the fund is domiciled, registered for marketing or listed, could affect the tax treatment of investors. In this case, the Management Company assumes no liability to investors for payments to be made to any tax authority.

Equity risk : As the Fund may be exposed to equity markets, the net asset value of the Fund will therefore fall in the event of a decline in this market.

Volatility risk : Volatility is the measure of an asset's price variation over a given period. In other words, it describes the magnitude and speed of change in an asset's value. In a more volatile market, risk increases, i.e. the probability of a portfolio experiencing significant fluctuations increases.

Dividend risk : Dividend risk is the uncertainty as to the regularity or amount of dividend payments compared with market expectations. It arises from factors such as economic conditions, company performance and market volatility, all of which have an impact on the reliability of dividends for investors.

Currency risk : The Fund may be exposed to currency risk in respect of the portion of its net assets invested outside the euro zone that is not hedged against this risk, which may result in a fall in its net asset value.

Conflict of interest risk : The Fund may be invested in mutual funds managed by Tikehau IM or a related company, or in securities issued by such mutual funds. This situation may give rise to conflicts of interest.

Specific risks linked to the investment in contingent convertible bonds (« CoCos »):

Trigger level risk: Trigger levels differ and determine exposure to conversion risk as a function of distance from the trigger level.

Coupon cancellation risk: Coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any duration.

Yield/estimation risk : Cocos' often attractive yields can be seen as a complexity premium.

Risk of non-repayment: Cocos AT1-type instruments are perpetual, redeemable at predetermined levels only with the approval of the competent authority.

Liquidity risk : Like the high-yield bond market, the liquidity of CoCos can be significantly affected in turbulent market conditions.

The Synthetic Risk Indicator (SRI) of each share class is available in the dedicated KID of each share class onto the Company Management's website. Please refer to this document to obtain the associated detail.