DECEMBER 2025

HOUSE VIEWS

Off to a flying start

EDITION COMPLETED WITH OUR VIEWS ON PRIVATE ASSETS

In accordance with the regulations in force, we inform the reader that this document is qualified as a promotional document

Strong resilience of economies and markets

The year 2025 was marked by the resilience of major economies, despite the context of geopolitical tensions, trade issues, and political uncertainties. The latest activity indicators confirm this dynamic, notably driven by sustained investment in artificial intelligence in the United States, while the euro area benefits from the normalization of inflation and monetary policy.

In 2026, as major central banks are expected to maintain a near status quo, fiscal policy support and continued investments in artificial intelligence should be the main drivers of economies and markets.

Unchanged convictions, affirmed strategy

In this context, this final House Views of the year marks a "strong start": we maintain our affirmed strategy to begin 2026. We keep an overweight position in equity markets, with a preference for the United States and Europe, supported by sectoral dynamics and the implementation of fiscal stimulus plans, notably in Europe. We also maintain our constructive tone on Japan and emerging markets, which are also benefiting from the momentum of AI.

We confirm our strong underweight position in bonds. Interest rate tensions are expected to persist, driven by a rising bond supply, the reduction of European Central Banks' balance sheets, and structurally higher inflation compared to the past. While this environment justifies our caution towards sovereign bonds, we remain constructive on corporate bonds, notably High Yield. This segment benefits from higher carry and lower sensitivity to interest rate pressures.

We keep a neutral position on the dollar while maintaining exposure to gold as a hedging asset. Investment themes — particularly artificial intelligence and European sovereignty — remain key focuses to capture performance.

This edition additionally includes information on unlisted assets: real estate as well as private markets (equity and debt).

SOCIETE GENERALE
Private Banking

OUR MAIN CONVICTIONS

Maintaining our overweight on equities amid strong market momentum and macroeconomic resilience, while rate pressures justify our clear underweight in bonds.

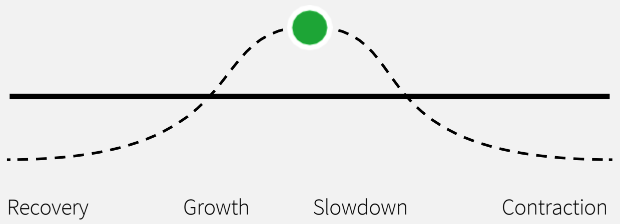
Clear underweight in bonds, especially sovereigns. Neutral and overweight positions respectively on *Investment Grade* and *High Yield* bonds to benefit from their more attractive carry.

Geographically diversified equity portfolio, overweight Europe and the United States, with a constructive stance on Japan and emerging markets.

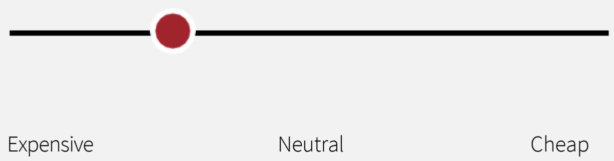
Maintaining neutrality on the dollar, a more favorable economic tone but uncertain political challenges, notably the change of the Federal Reserve governor. Maintaining our exposure to gold, which serves as a hedge and diversification tool.

The main components of our analytical framework

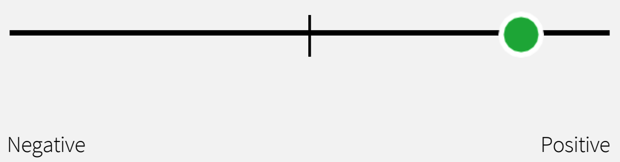
ECONOMIC SCENARIO



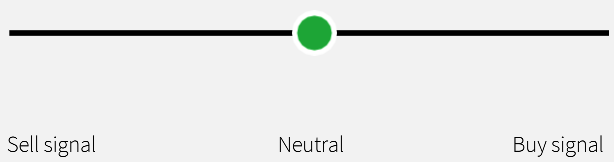
VALUATIONS



MOMENTUM



SENTIMENT



Unless specified, all figures and statistics in this report are from Bloomberg and Macrobond on 12/12/2025 publication completion date. Past performance does not prejudge future performance. Investments may be subject to market fluctuations, and the price and value of investments and the resulting revenues may fluctuate downward and upward. Your capital is not protected, and original investments may not be recovered.

Off to a flying start

OUR ASSET ALLOCATION

Summary of our views

	Strong Underweight	Underweight	Balanced	Overweight	Strong Overweight	Changes since last commitee in November
EQUITIES						
WORLD EQUITIES				●		=
United States				●		=
Euro area				●		=
United Kingdom				●		=
Japan			●			=
Emerging markets			●			=
FIXED INCOME						
SOVEREIGN						
RATES		●				=
United States	●					=
Euro area	●					=
United Kingdom	●					=
Emerging markets debt (USD)		●				=
ENTREPRISES						
US IG			●			=
US HY			●			=
Europe IG			●			=
Europe HY				●		=
FOREIGN EXCHANGE						
EUR/USD			●			=
USD/JPY			●			=
GBP/USD			●			=
EUR/CHF		●				=
ALTERNATIVES						
Commodities			●			=
Gold			●			=
Hedge funds	●					=

EQUITY MARKET : STYLE ALLOCATION

	Croissance	Valeur
États-Unis	●	
Zone Euro	●	
Royaume Uni	●	

FIXED INCOME MARKET: DURATION ALLOCATION

	En dessous du bench.	Au niveau du bench.	Au dessus du bench.
États-Unis	●		
Zone Euro	●		
Royaume Uni	●		

Unless specified, all figures and statistics in this report are from Bloomberg and Macrobond on 12/12/2025 publication completion date. Past performance does not prejudge future performance. Investments may be subject to market fluctuations, and the price and value of investments and the resulting revenues may fluctuate downward and upward. Your capital is not protected, and original investments may not be recovered.

CONVICTIONS FOR 2026

A tense political and geopolitical context in 2025. The year was marked by a rise in uncertainties, notably with Trump's return to the U.S. presidency and the tightening of American trade policy, symbolized by "Liberation Day." Moreover, conflicts in Ukraine and the Middle East maintained a fragile geopolitical climate. On the fiscal side, high public debt levels raised questions about their sustainability, particularly in France.

Yet, resilient economy and markets. Despite these uncertainties, global growth exceeded 3% in 2025, driven by the surge in AI investments and accommodative fiscal and monetary policies. Equity markets posted remarkable returns, supported by U.S. technology stocks and the banking sector in Europe. On the bond market, the yield curve steepened, with long-term rates remaining elevated despite monetary easing. Meanwhile, the dollar depreciated sharply, reflecting a rebalancing of international portfolios, while safe-haven assets benefited from persistent uncertainties: gold reached historic highs, rising more than 60% since January.

United States: solid growth despite uncertainties. The U.S. economy is expected to continue growing at a sustained pace, supported by fiscal stimulus and massive investments in AI. Major tech companies continue their investment plans, which should keep fueling demand. We anticipate growth above 2% in 2026, along with inflation above consensus, due to tariffs and migration policy. Additionally, the political context will remain sensitive with midterm elections and the appointment of the new Fed governor. In this framework, the central bank may limit rate cuts to one or two, fewer than investors expect.

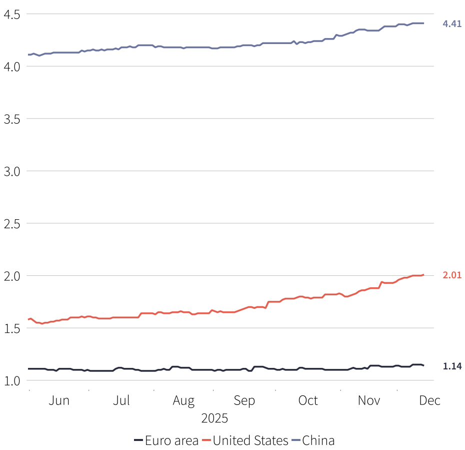
Euro area: stimulus and monetary status quo. In 2026, eurozone growth should exceed expectations, supported by stimulus plans, notably the Rearm EU plan and the German "bazooka." Inflation would remain higher than pre-Covid levels, driven by more dynamic activity and the increase in Germany's minimum wage. In this context, the ECB should maintain stable monetary policy throughout the year, supported by an already accommodative environment. Politically, instability in France and legislative elections in Germany could weigh on fiscal visibility.

United Kingdom: monetary easing expected. Growth is expected to remain fragile in 2026, while inflationary pressures should ease, notably thanks to wage normalization. We anticipate this context will provide the Bank of England with room to implement more significant rate cuts than consensus expects.

China: resilient exports despite domestic weaknesses. In 2026, the Chinese economy should remain constrained by weak domestic demand despite targeted support measures. Exports, however, should maintain their dynamism, especially in AI-related segments such as semiconductors. Moreover, deflationary pressures may persist in 2026, with consensus forecasting inflation at 0.8%. New initiatives to stimulate consumption could be announced at the March plenary, but visibility on the scale and effectiveness of these measures remains limited.

2026 GROWTH FORECAST BY CONSENSUS

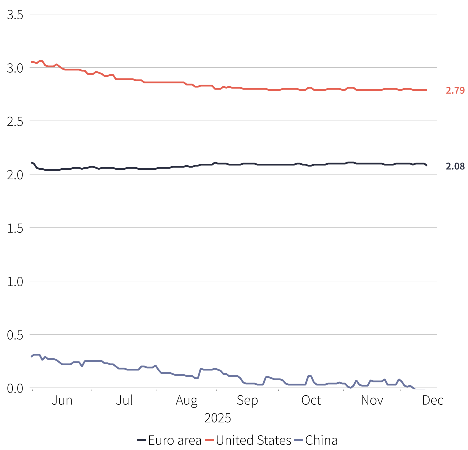
Real GDP growth forecasts from the Bloomberg consensus



Sources: Société Générale Investment Solutions, Macrobond, 12/12/2025

2026 INFLATION FORECAST BY CONSENSUS

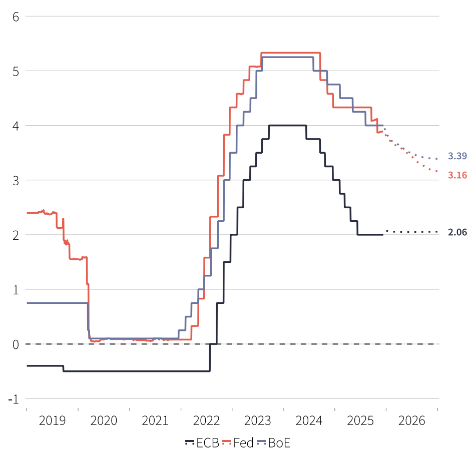
Total inflation forecasts from the Bloomberg consensus



Sources: Société Générale Investment Solutions, Macrobond, 12/12/2025

CENTRAL BANK POLICY RATES PROJECTIONS

In %



Sc

Sources: Société Générale Investment Solutions, Macrobond, ECB, Eurex Exchange, New York Fed, CME Group, BoE, ICE 15/09/2032

Unless specified, all figures and statistics in this report are from Bloomberg and Macrobond on 12/12/2025 publication completion date. Past performance does not prejudge future performance. Investments may be subject to market fluctuations, and the price and value of investments and the resulting revenues may fluctuate downward and upward. Your capital is not protected, and original investments may not be recovered.

.

OFF TO A FLYING START

EQUITY MARKETS

Maintaining our overweight position

We maintain our overweight position on equity markets, particularly on U.S. and European stocks. The combination of resilient economic growth and strong earnings prospects in the artificial intelligence sector continues to support U.S. equities.
In Europe, we remain overweight due to the recovery in activity, expected fiscal stimulus plans at the beginning of 2026, and a balanced monetary policy. We also remain constructive on emerging markets, supported by U.S. monetary easing and attractive valuations.

UNITED STATES

We maintain our overweight exposure to the U.S. equity market. U.S. equity markets closed 2025 on a positive note. Specifically, the S&P 500 posted a 3.5% gain in the fourth quarter of 2025, resulting in a full-year increase of 19%. Meanwhile, the Nasdaq-100 recorded a 23% rise over the entire year. This strong performance primarily reflects the outperformance of Growth-style stocks, particularly those linked to artificial intelligence, which have been rising since the beginning of the quarter, whereas Value-style stocks posted more modest gains. AI companies, approximately 85% of which are American, delivered very strong results in 2025. Analysts expect revenue growth for these companies to exceed 40% in 2026, supported by substantial investments from across the entire ecosystem. In addition, economic activity in the U.S. is expected to remain well oriented in 2026, with growth close to 2%, underpinned by fiscal stimulus and ongoing investments. The Federal Reserve is also likely to maintain a neutral stance in its communications during the first half of the year, which should allow equities to sustain their positive momentum. Given these factors, we maintain our overweight exposure to U.S. equities, with a continued preference for Growth-style stocks. This preference is justified by the resilience of the U.S. economy, the favorable profit outlook in the technology and AI sectors, and a monetary policy environment that is expected to remain close to neutral levels.

EUROPE

We remain overweight on European equity markets. Indices also ended 2025 on a strong note, with the European market rising nearly 4% in the quarter and 23% over the year. By country, the Spanish market was by far the best performer in the region and one of the top performers among developed economies, with a 44% increase over the year. While other markets also posted double-digit growth, the French market was less dynamic, with a limited 8% gain in 2025, weighed down by its sector composition and political uncertainties. The euro area's economic cycle is expected to continue on a positive trend in 2026, with growth again forecast above 1%, supported by the acceleration of the German stimulus plan, ongoing European recovery plans, and the effects of past interest rate cuts. This solid activity should translate into stronger corporate earnings growth. Moreover, the ECB is expected to keep its key interest rate at 2% in the coming months, close to its neutral level, thus supporting valuations. Given these factors, we maintain our overweight stance on European equities. Regarding styles, we are more balanced between Growth and Value, with Value-sector companies being the primary beneficiaries of fiscal support plans, a higher interest rate environment, and still attractive valuations.

JAPAN

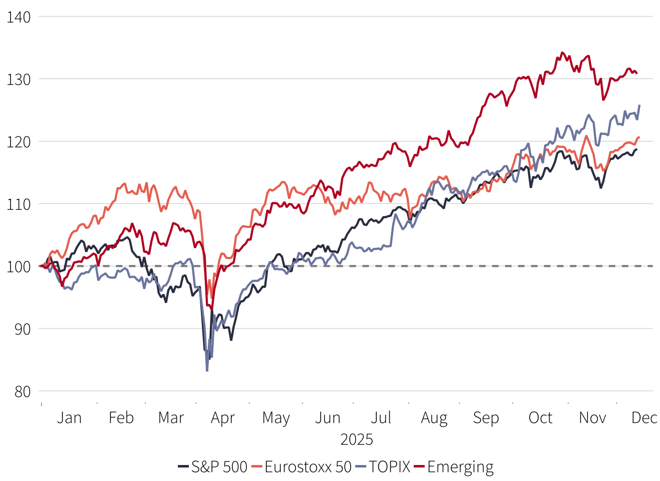
We remain neutral on the Japanese equity market. The market delivered very strong performance, rising 23% over the year. While this performance is in line with the positive momentum of global equities, it also reflects expectations of a more favorable policy mix, akin to Abenomics, under the new Prime Minister Sanae Takaichi.

EMERGING MARKETS

Emerging market equities also continue on a positive trend, with the index up more than 2% since early October and 30% year-to-date, supported by strong performances in major national indices. We remain constructive and neutral on this market, given the prospects for accelerated fiscal stimulus in China, attractive valuations, and a sector composition biased towards AI.

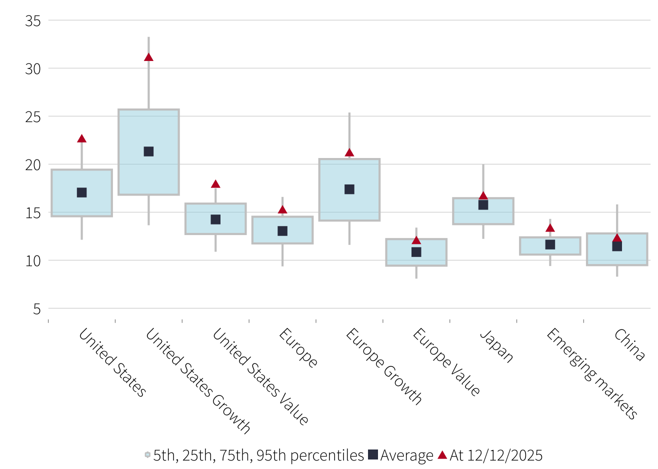
EQUITY INDEX TOTAL RETURN

100=31/12/2024, in local currency



Sources: Société Générale Investment Solutions, Macrobond, 11/12/2025

EQUITY MARKETS: EXPECTED PRICE-TO-INCOME RATIO



Sources: Société Générale Investment Solutions, Macrobond, 12/12/2025, 12/12/2025, 12/12/2025, 12/12/2025, 12/12/2025, 12/12/2025, 12/12/2025

Unless specified, all figures and statistics in this report are from Bloomberg and Macrobond on 12/12/2025 publication completion date. Past performance does not prejudge future performance. Investments may be subject to market fluctuations, and the price and value of investments and the resulting revenues may fluctuate downward and upward. Your capital is not protected, and original investments may not be recovered.

OFF TO A FLYING START

FIXED INCOME MARKETS

Underweight on bonds

We maintain our underweight position in the bond segment, with a distinction between sovereign and corporate bonds. We remain "significantly underweight" on U.S. and European sovereign bonds due to deteriorating public finance outlooks, which are expected to keep upward pressure on sovereign yields. On the corporate credit side, we remain constructive on investment-grade bonds in a context where risk premiums stay low but carry is less attractive. We maintain an overweight position on speculative-grade (High Yield) credit, supported by the still favorable growth environment, more attractive carry, and low duration risk.

UNITED STATES

U.S. Treasury yields remain at elevated levels, particularly long-term rates, due to inflation continuing above the 2% target and resilient economic activity. The 2-year Treasury yield (a proxy for one-year Fed funds rate expectations) has remained stable around 3.5% since September, while the 10-year yield has also hovered around 4.1% over the same period. Although the Fed continued its rate-cutting cycle in December by lowering the Fed Funds target range to 3.5%-3.75%, its communication remains very cautious about the future path of the cycle. First, economic activity remains resilient, supported by strong investment and consumption, reducing the need for a more pronounced rate-cutting cycle. Second, inflation remains elevated, with core inflation at 3% in October, and it is expected to stay above target in the coming quarters. Finally, while labor market data show a slowdown, this reflects a market characterized by both low hiring and low layoffs, along with a contraction in the immigrant population. We continue to expect a Fed pause during the first half of the year due to the economic context and uncertainties regarding the orientation of the new Fed Chair, who will take office in May. Furthermore, the adoption of the budget bill in Congress, which would lead to budget deficits exceeding 6% of GDP in the coming years, would keep the term premium (the expected premium for holding a long-term bond) at a high level, exerting upward pressure on sovereign yields. For these reasons, we adopt a "significantly underweight" position on Treasuries and favor shorter durations in this context of yield curve steepening.

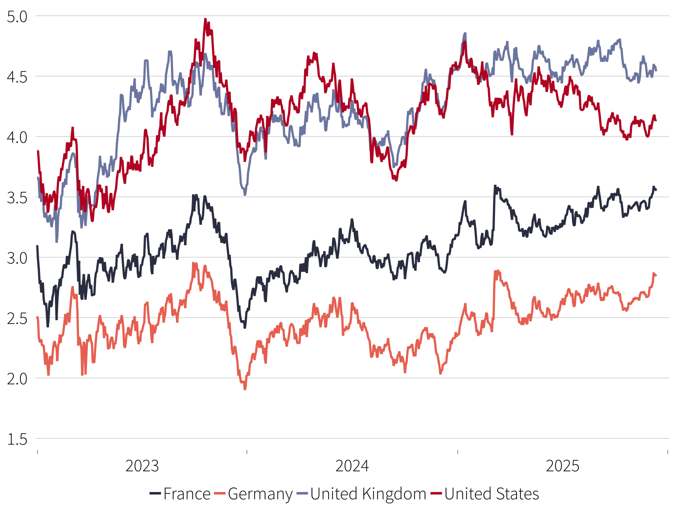
EUROPE

We maintain a significantly underweight position on eurozone sovereign bonds due to an expected increase in sovereign issuance over the coming years and resilient growth. Sovereign yields ended the year on an upward trend, with the 10-year Bund yield rising to 2.9% in December. In France, the OAT yield showed high volatility amid the political crisis, finishing the year at 3.6%. However, risk premiums on peripheral economies continued to decline, with the Spanish spread at 45 basis points and Italy's below 70 basis points. The rise in European long-term yields contrasts with the U.S., notably because inflation remains close to target, which should encourage the ECB to maintain accommodative monetary conditions. Indeed, inflation in the euro area stayed near the ECB's target (2.1% in November), and we expect it to remain so in the coming months. In this context, the rise in sovereign yields reflects the expected increase in bond issuance and improved growth prospects. The German stimulus plan is expected to push the budget deficit to 3.5% over the next years, significantly increasing German debt supply, which had been limited until now. Furthermore, efforts to increase defense spending, targeting 3.5% of GDP by 2028, should also raise issuance in other economies. Finally, the deteriorated outlook for French public finances and political risk exert upward pressure on European sovereign yields. Consequently, we take a significantly underweight position on European sovereign bonds, with a preference for durations shorter than the benchmark.

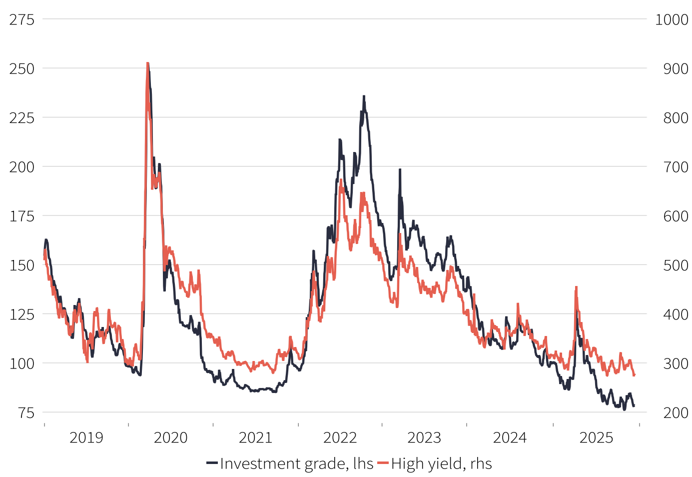
CREDIT

We remain constructive on investment-grade credit in a context where risk premiums remain very low but the carry on these bonds (3%) appears less attractive given the risks of rising long-term sovereign rates. We remain overweight on high-yield credit, which offers more attractive carry and lower duration risk.

10-YEAR SOVEREIGN RATES (%)



EUROPEAN CREDIT RISK PREMIUMS.
Vs sovereign yields



Unless specified, all figures and statistics in this report are from Bloomberg and Macrobond on 12/12/2025 publication completion date. Past performance does not prejudge future performance. Investments may be subject to market fluctuations, and the price and value of investments and the resulting revenues may fluctuate downward and upward. Your capital is not protected, and original investments may not be recovered.

OFF TO A FLYING START

CURRENCIES

Maintaining our Neutral position on the dollar

We maintain our Neutral position on the dollar against major developed currencies. Despite a significant decline in the dollar index since the beginning of the year, the easing of tariff-related uncertainties, combined with a U.S. monetary policy expected to become less accommodative in 2026, helps stabilize the outlook for the greenback. This situation justifies maintaining balanced positions on the main currency pairs, where upside and downside risks are evenly balanced, notably for the euro/dollar and sterling pairs. The yen shows only a moderate recovery, while the Swiss franc retains its role as a safe haven against the euro, explaining our underweight position on this pair.

DOLLAR INDEX

Since the beginning of the year, the dollar index has declined by nearly 9%, reflecting investor reallocations toward other currencies in a diversification strategy. However, this trend has eased since the start of the quarter, supported by a moderation of tariff-related uncertainties.

Nevertheless, in the foreign exchange market, most emerging market currencies have appreciated against the dollar since January: in Asia, the Taiwanese dollar (TWD) has risen more than 5%, and the Chinese yuan (CNY) by over 3%. In Latin America, the Mexican peso (MXN) has appreciated by 11% and the Brazilian real (BRL) by 12%. Contrary to this trend, the Indian rupee (INR) has depreciated nearly 5%, while the South Korean won (KRW) has remained stable against the dollar.

EUR/USD The euro trades around 1.17, representing an appreciation of nearly 13% since the start of the year. In the short term, the pair is expected to remain broadly stable, as factors influencing both currencies balance out. On the dollar side, resilient U.S. growth would limit Fed rate cuts, maintaining attractive yields and supporting the currency. Conversely, in the eurozone, a monetary policy status quo is anticipated, but a stronger recovery driven by stimulus plans could prompt the ECB to raise rates, which would strengthen the euro. Added to this are political uncertainties in the U.S.: midterm elections and the possible replacement of Jerome Powell as Fed Chair could steer monetary policy toward greater accommodation, weighing on the dollar. This context generates high volatility without a clear short-term trend. We therefore favor a neutral position, awaiting clearer signals on the pair's trajectory and the dynamics of both regions.

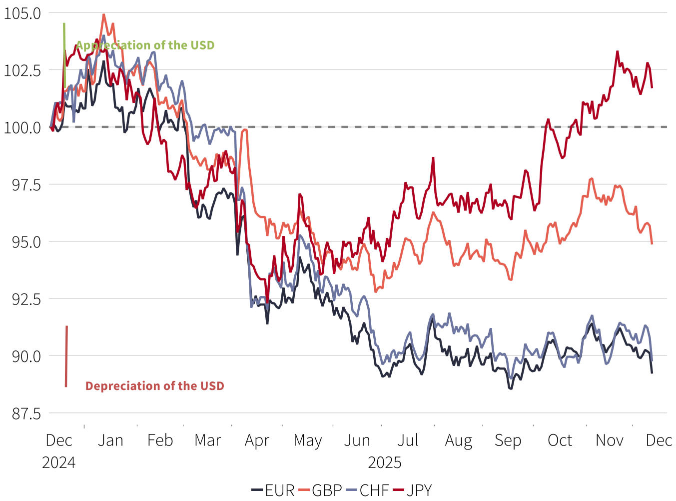
GBP/USD The pound trades around 1.33, up 6% since the start of the year. The Bank of England held rates steady at its November 6 meeting, while the Fed cut rates at its December 10 meeting. However, the BoE could follow suit in 2026, limiting the downside potential of the British currency in the short term. In this context, we also maintain a neutral position on this pair.

USD/JPY The pair trades around 156 yen per dollar, a slight depreciation of 0.1% since the start of the year. After a sharp decline in the yen early in the year, the currency has recovered since early November, appreciating 1.7%, bringing the annual performance to near stability. This recent appreciation reflects expectations of a rate hike by the Bank of Japan, fueled by persistent inflation, despite the announcement of an ambitious stimulus plan by the new Prime Minister to support the economy. Thus, in this context of a fragile and recent yen recovery, we maintain our neutral position on the pair.

EUR/CHF The pair remains around 0.93, stable over the past year. We maintain an underweight position on this pair due to the strength of the Swiss franc. This currency continues to play its safe-haven role amid global uncertainties, while Swiss economic fundamentals remain robust, supporting the CHF.

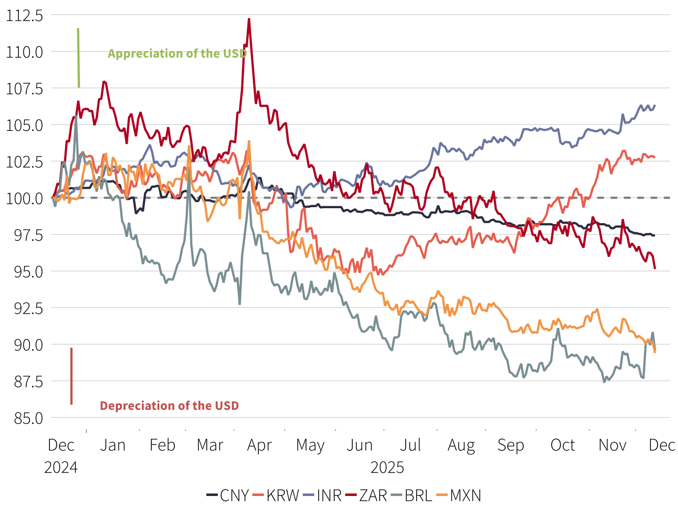
EXCHANGE RATE AGAINST USD

100 = 1Y



EXCHANGE RATE AGAINST USD

100 = 1Y



Unless specified, all figures and statistics in this report are from Bloomberg and Macrobond on 12/12/2025 publication completion date. Past performance does not prejudge future performance. Investments may be subject to market fluctuations, and the price and value of investments and the resulting revenues may fluctuate downward and upward. Your capital is not protected, and original investments may not be recovered.

OFF TO A FLYING START

COMMODITIES AND THEMES

Oil declines, gold continues to rise

Brent crude has been falling since early November, currently trading near $62 per barrel, impacted by geopolitical uncertainties and fears of excess supply. Conversely, gold continues to climb, supported by central bank purchases and concerns over inflation and public debt, even though its traditional role as a safe haven is gradually diminishing.

COMMODITIES

Since early November, Brent crude has declined by about 3% in dollars, falling from over 66 to 62 dollars per barrel, and by more than 3.5% in euros. This gradual decline, marked by some fluctuations, primarily reflects persistent uncertainties surrounding the resolution of the conflict in Ukraine and fears of excess supply in the market.

In this context, on November 30, OPEC chose to maintain its unchanged supply policy. After a modest increase of 137,000 barrels per day in December, the organization confirmed a pause in production increases during the first quarter of 2026. This cautious stance reflects a desire for greater visibility on the geopolitical front while maintaining a price-guided strategy. Moreover, geopolitical tensions remain high: the conflict in Ukraine continues, limiting Russian exports under international sanctions.

Structural signals also add to the downward trend, such as the growth in electric vehicle sales in the European Union. Finally, on the demand side, the slowdown in Chinese growth also weighs on prospects. Our positioning therefore remains deliberately balanced, aiming to navigate this volatile environment without overreacting to temporary price adjustments.

Since early November, European gas prices have fallen more than 11%, reaching €27/MWh, their lowest level since April 2024. This decline is explained by record U.S. LNG exports and stable Norwegian supply, which offset reduced Russian flows. It is further amplified by weak demand due to mild temperatures and high stock levels. Finally, the EU has confirmed the gradual phase-out of Russian gas imports by 2027, reducing the risk of a price shock

GOLD

After a correction in October, gold resumed its rise and now stands at $4,208 per ounce (€3,618), up more than 4.5% since early November and over 60% year-to-date. This rally remains driven by massive central bank purchases, seeking to diversify reserves away from the dollar, as well as private investor buying.

However, gold's rise continues alongside equity markets, which diminishes its traditional safe-haven role. In this context, the Bank for International Settlements (BIS) warns against growing speculation, especially by retail investors, which could destabilize markets in case of a reversal.

We therefore maintain a balanced position on gold while favoring performance-seeking in equity markets

Themes

Precious metals. We believe persistent political uncertainty and tensions in long-term rates continue to support precious metals, especially gold and silver, which remain solid safe-haven assets favored during periods of volatility.

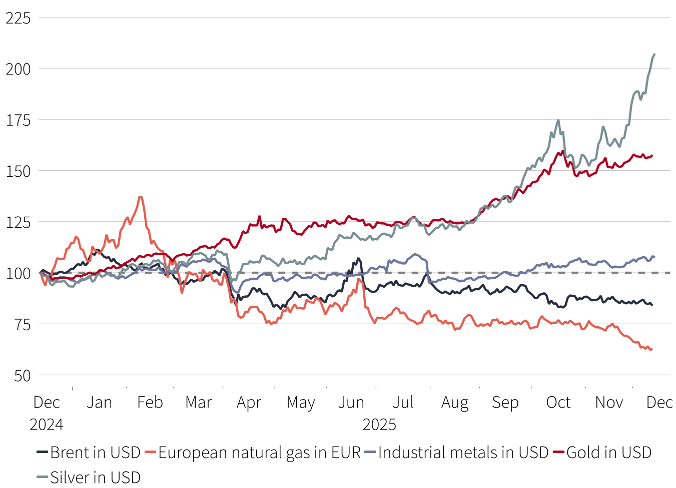
Corporate credit. In an environment characterized by central bank rate cuts and still attractive long-term rates, we remain constructive on corporate credit, which notably offers appealing carry opportunities.

Artificial Intelligence. We also maintain our position in the artificial intelligence sector, driven by exceptional profit growth and massive CAPEX investments, particularly from the "Magnificent 7," key drivers of technological innovation.

Ongoing: We continue to hold positions in reshoring, European sovereignty, and European small caps, which remain key themes in today's market context.

COMMODITY PRICES

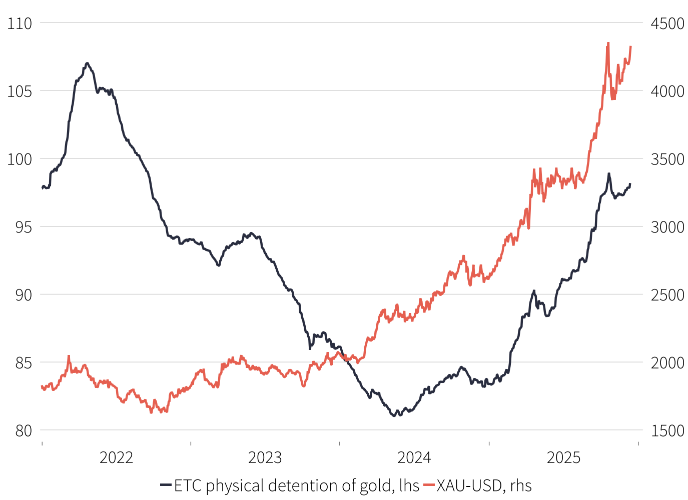
100 = 1Y



Sources: Société Générale Investment Solutions, Macrobond, ICE, LBMA 11/12/2025

GOLD PRICES AND GOLD HOLDINGS BY ETFS

Million ounces and dollars per ounce



Sources: Société Générale Investment Solutions, Macrobond, 11/12/2025

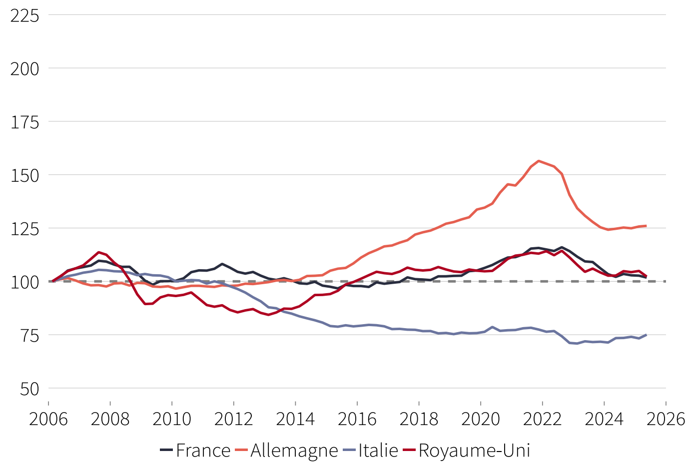
Unless specified, all figures and statistics in this report are from Bloomberg and Macrobond on 12/12/2025 publication completion date. Past performance does not prejudge future performance. Investments may be subject to market fluctuations, and the price and value of investments and the resulting revenues may fluctuate downward and upward. Your capital is not protected, and original investments may not be recovered.

Residential market: a slow recovery amid economic uncertainties

The French residential real estate market remains sluggish due to the high level of long-term interest rates. In France, residential markets have shown very slight signs of recovery. At the national level, prices of existing homes are starting to rise very slightly again, and sales of new homes appear to have reached a low point. Overall, to date, prices show a slight increase in 2025, with significant regional disparities. It should be noted that although since the sharp rise in inflation, real estate prices have only moderately corrected, they have significantly decreased in real terms. The production of new mortgage loans experienced a slight improvement at the beginning of the year but is already declining. The market remains weak, due to long-term interest rates that remain high, constrained purchasing power, and still elevated prices. In 2026, the trend of low volumes and contained prices is expected to continue, in a context of still sluggish economic growth and interest rates remaining under pressure. Indeed, despite the past easing of the ECB's short-term interest rates, long-term interest rates will remain under pressure amid increased bond issuance in Europe and ongoing political risk in France.

REAL PROPERTY PRICES

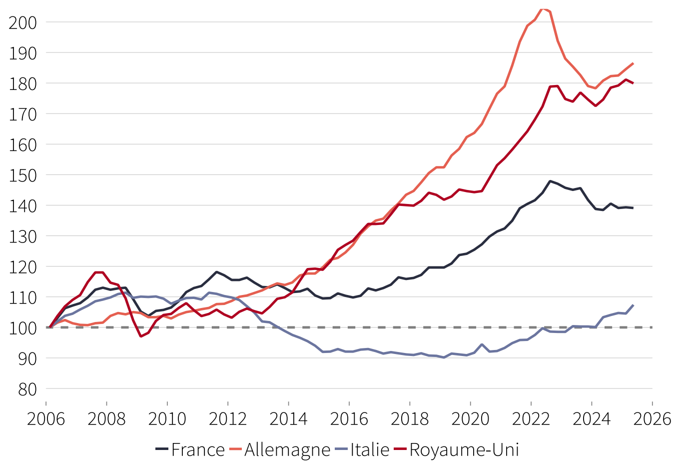
Base 100 = 01/01/2006



Sources: Société Générale Investment Solutions, Macrobond, BIS 2025 Q2

NOMINAL REAL ESTATE PRICES

Base 100 = 01/01/2006

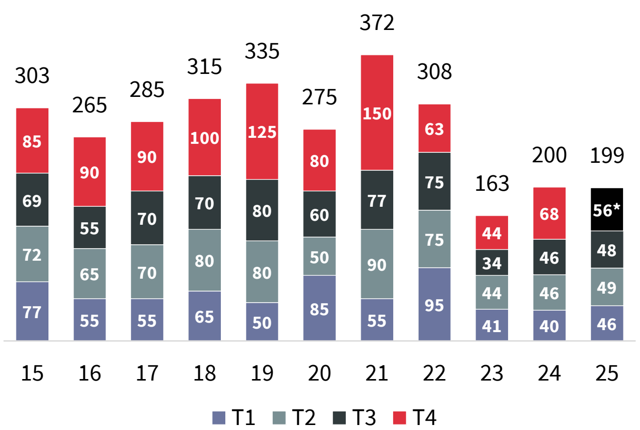


Sources: Société Générale Investment Solutions, Macrobond, BIS 2025 Q2

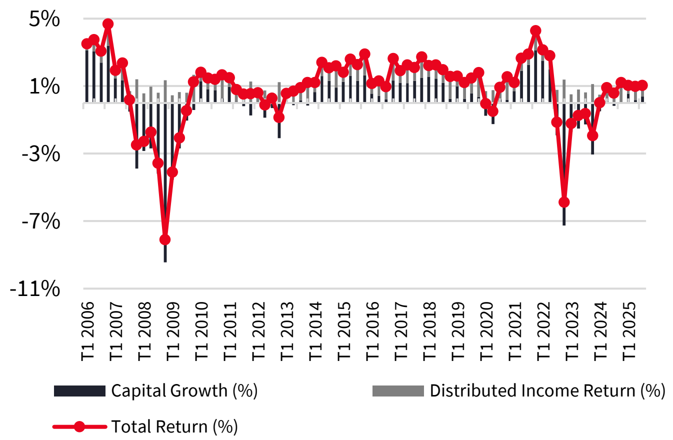
Valuations appear to be stabilizing, but liquidity remains a concern. Since March 2024, European real estate has shown overall positive performance, driven by rental yields. According to the INREV index, which reflects the performance of over 300 non-listed funds in Europe, the market seems to have absorbed the adjustments of the past two years. Indeed, despite an unstable political and economic environment, asset valuations remain generally stable. However, tensions are emerging regarding liquidity and the indebtedness of certain funds, particularly in France, with the activation of redemption funds and the transition to fixed capital for some SCPI in 2026. In 2026, the decline in inflation and key interest rates is expected to continue stabilizing real estate and transaction volumes, subject to improved visibility on economic and fiscal policies.

VOLUME INVESTED IN EUROPE

In billions of euros



INDEX OF THE QUARTERLY INCOME FUND



Dynamic markets supported by a more stable economic environment

After a start to the year marked by uncertainty over tariffs, overall activity in private assets accelerated in Q3, supported by a resilient economic environment. Within Private Equity funds, Buyout* fund performances continue to trend upward, driven by the growth in operating results of companies and favorable financing conditions. Yields on private debt continue their gradual decline, due to the combined effect of falling interest rates and credit margin compression. As for Infrastructure funds, their performance remains steady: sector revenues, partly indexed to inflation, have been less sensitive to interest rate fluctuations since 2022.

PRIVATE EQUITY: More favorable outlook for Buyout strategies.* After the slight rebound observed in 2024, investment volumes within Buyout* strategies are expected to finish 2025 on an upward trend. The uncertainty related to tariffs, which had weighed on fund deployment at the beginning of Q2, has largely dissipated: various players have digested the implications, which appear moderate for companies held by Buyout* funds. This renewed activity has particularly benefited large transactions: the syndicated bank loan market, an important source of financing for this segment, rebounded in volume and saw a decrease in corporate loan rates. The overall mergers and acquisitions market had an active Q3, also supported by numerous large-scale deals exceeding one billion euros.

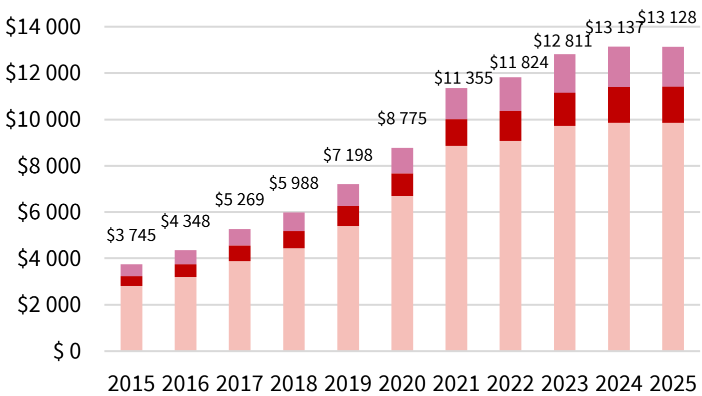
This environment supported capital deployment by managers, notably reflected in the vigor of private companies' external growth operations and the buyout of publicly traded companies (usually large) by Private Equity funds. More structurally, the increasing participation of large American managers favors large transactions in Europe (recent example: Opella, a Sanofi subsidiary). Buyout* strategies could continue to be supported by various factors: more moderate and predictable inflation, stable or slightly declining central bank key rates enabling managers to optimize financing costs, and finally improved exit conditions for companies held by funds. Indeed, the volume of fund exits through initial public offerings increased in 2025 in the United States. Furthermore, fund distributions, which had been at a low since 2022, are slightly recovering but remain below long-term historical averages, thus constituting a priority for Private Equity managers. Global fundraising has been declining for three years, as institutional investors wait to receive fund distributions before reinvesting in subsequent vintages.

PRIVATE DEBT: A selective approach. In recent years, private debt funds have experienced strong growth, reaching approximately $2 trillion in assets under management: they have gradually gained market share to become a major source of financing for mid-sized transactions, as well as for a growing share of large transactions, where multiple private debt managers can co-finance the same deal. Since the 2022 peak, private debt yields have gradually eroded, more pronouncedly for large companies due to increased competition with the syndicated bank loan market. Moreover, some recent default events have highlighted losses that credit portfolios can suffer, although these remain very limited so far relative to the asset class size. However, private debt still offers, in our view, an attractive risk/return profile: we maintain a selective approach, focusing on loans to European companies and avoiding certain types of loans more prone to fraud (such as receivables-backed loans). Recent defaults do not appear to signal a broader systemic risk for several reasons. First, several troubled companies are linked to the cyclical consumer sector in the United States. Across the asset class, company fundamentals remain solid, with leverage levels in line with long-term averages. Second, default rates for private debt as well as for high-yield bonds and syndicated bank loans, which are indicators of overall credit health, remain moderate. Finally, company earnings are expected to continue growing: no short-term recession is anticipated, with forecasts pointing to GDP growth in Europe and the United States in 2026.

**Buyout strategies = majority stakes in profitable companies.*

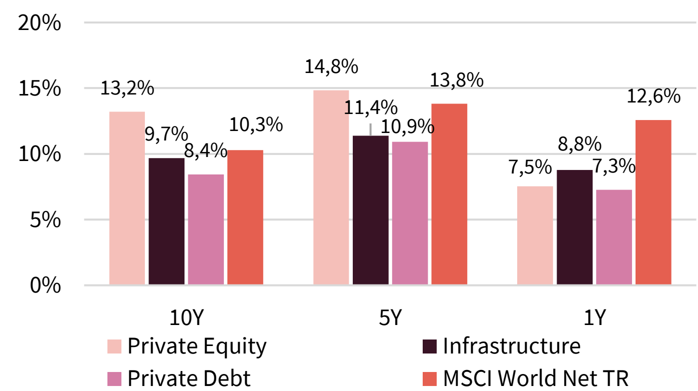
OUTSTANDING PRIVATE MARKETS

In billions of dollars



ANNUALIZED PERFORMANCE AS OF 30/06/2025

In %



IMPORTANT INFORMATION – PLEASE READ

GENERAL INFORMATION

This document is a marketing communication issued by Société Générale Private Banking which is the business line of the Société Générale Group operating through its headquarters within Société Générale S.A. in France and its network (departments or separate legal entities (branches or subsidiaries) hereinafter the “Entities”),), located on the various below-mentioned territories, acting under the brand name "Societe Generale Private Banking" and distributors of the present document.

This material has been prepared solely for informational purposes and has no contractual value.

This material does not constitute an offer of purchase, sale, or subscription in any of the asset classes presented herein, nor a solicitation of such an offer, nor is it an offer of financial services, to participate in any investment strategy. Nothing in this document should be construed as constituting investment advice or personal recommendation to any investor or its agent. Information contained herein is not intended to provide a basis on which to make an investment decision.

Any investment may have tax consequences and Société Générale Private Banking and its Entities do not provide tax advice. The level of taxation depends on individual circumstances and tax levels and bases may change. In addition, this document is not intended to provide accounting, tax or legal advice and should not be relied upon for accounting, tax, or legal purposes. Independent advice should be sought where appropriate.

The accuracy, completeness or relevance of the information provided is not guaranteed although it has been drawn from sources believed to be reliable. The information and opinions expressed in this document were produced as at the date of writing and are subject to change without notice.

This material has not been prepared regarding specific investment objectives, financial situations, or the particular needs of any specific entity or person. Investors should make their own appraisal of the risks and should seek their own financial and legal advice regarding the appropriateness of investing in any asset classes or participating in any investment strategy.

The asset classes presented herein may be subject to restrictions regarding certain persons or in certain countries under national regulations applicable to said persons or in said countries. It is the responsibility of any person in possession of this document to inform themselves and to comply with the legal and regulatory provisions of the relevant jurisdiction. This document is not intended for distribution to any person or in any jurisdiction where such distribution would be restricted or illegal. In particular, it may not be distributed in the United States, nor may it be distributed, directly or indirectly, in the United States or to any US Person.

GENERAL RISKS

Some of the asset classes mentioned may present various risks, imply a potential loss of the entire amount invested or even an unlimited potential loss, and may therefore only be reserved for a certain category of investors, and/or only be suitable for well-informed investors who are eligible for these asset classes. In addition, these asset classes must comply with the Société Générale Group's Code of Tax Conduct.

The price and value of investments and the income derived from them may go down as well as up. Changes in inflation, interest rates and exchange rates may adversely affect the value, price and income of investments denominated in a currency other than that of the client. Any simulations and examples contained in this document are provided for illustrative purposes only. This information is subject to change because of market fluctuations, and the information and opinions contained herein may change. Société Générale Private Banking does not undertake to update or amend this document and will not assume any liability in this regard.

This document is for information purposes only and investors should make their investment decisions without relying on this document. Société Générale Private Banking and its Entities shall not be liable for any direct or indirect loss arising from any use of this document or its contents. Société Générale Private Banking and its Entities do not make any warranty, express or implied, as to the accuracy or completeness of this information or as to the profitability or performance of any asset class, country, or market.

Past performance does not predict future returns. The value of an investment is not guaranteed, and the valuation of investments may fluctuate.

Forecasts of future performance are based on assumptions which may not materialized. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and/or current market conditions and are not an exact indicator. What you will get will vary depending on how the market performs and how long you keep the investment/product. Future performance is subject to taxation which depends on the personal situation of each investor and which may change in the future.

For a more complete definition and description of the risks, please refer to the prospectus of the product or other legal information document as the case may be (as applicable) before making any final investment decisions.

This document is confidential, intended exclusively for the person to whom it is addressed, and may not be communicated or made known to third parties (except for external advisers and provided that they themselves respect confidentiality), nor reproduced in whole or in part, without the prior written agreement of Société Générale Private Banking and its Entities.

CONFLICTS OF INTEREST

The Societe Generale Group maintains an effective administrative organization that takes all necessary measures to identify, control and manage conflicts of interest. To this end, Societe Generale Private Banking and its Entities have put in place a conflict of interest policy to prevent conflicts of interest, including information Chinese walls.

This document contains the views of SGPB teams. Société Générale trading desks may trade, or have traded, as principal on the basis of the teams’ views and reports. In addition, SGPB teams receive compensation based, in part, on the quality and accuracy of their analysis, client feedback, revenues of their entity of the Société Générale group and competitive factors.
As a general matter, entities within the Société Générale group may make a market or act as a principal trader in securities referred to in this report and can provide banking services to the companies mentioned in that document, and to their subsidiary. Entities within the Société Générale group may from time-to-time deal in, profit from trading on, hold on a principal basis, or act as advisers or brokers or bankers in relation to securities, or derivatives thereof, or asset class(es) mentioned in this document.
Entities within the Société Générale group may be represented on the supervisory board or on the executive board of such persons, firms or entities.
Employees of the Société Générale group, or persons/entities connected to them, may from time to time have positions in or hold any of the investment products/ asset class(es) mentioned in this document.
Société Générale may acquire or liquidate from time-to-time positions in the securities and/or underlying assets (including derivatives thereof) referred to herein, if any, or in any other asset, and therefore any return to prospective investor(s) may directly or indirectly be affected.
Entities within the Société Générale group are under no obligation to disclose or consider this document when advising or dealing with or on behalf of customers.

Unless specified, all figures and statistics in this report are from Bloomberg and Macrobond on 5/16/2025 publication completion date. Past performance does not prejudge future performance. Investments may be subject to market fluctuations, and the price and value of investments and the resulting revenues may fluctuate downward and upward. Your capital is not protected, and original investments may not be recovered.

IMPORTANT INFORMATION – PLEASE READ

In addition, Société Générale may issue other reports that are inconsistent with and reach different conclusions from the information presented in this report and is under no obligation to ensure that such other reports are brought to the attention of any recipient of this report.

Société Générale group maintains and operates effective organisational and administrative arrangements taking all reasonable steps to identify, monitor and manage conflicts of interest. Société Générale Private Banking has put in place a management of conflicts of interest policy designed to prevent conflicts of interest giving rise to a material risk of damage to the interests of its clients. For further information, please refer to the management of conflicts of interest's policy, which was provided.

SPECIFIC INFORMATION PER JURISDICTION

FRANCE : : Unless expressly stated otherwise, this document is published and distributed by Société Générale, a credit institution providing investment services authorised by and under the prudential supervision of the European Central Bank ("ECB") (located at ECB Tower, Sonnemannstraße 20, 60314 Frankfurt am Main, Germany) within the Single Supervisory Mechanism and supervised by the Autorité de Contrôle Prudentiel et de Résolution (located at 4, Place de Budapest, CS 92459, 75436 Paris Cedex 09) and the Autorité des Marchés Financiers ("AMF") (located at 17 Pl. de la Bourse, 75002 Paris). Société Générale is also registered with the ORIAS as an insurance intermediary under the number 07 022 493 orias.fr.

Société Générale is a French public limited company with a capital of EUR 1.000.395.971,25 as of September 23, 2024, whose registered office is located at 29 boulevard Haussmann, 75009 Paris, and whose unique identification number is 552 120 222 R.C.S. Paris. Further details are available on request or at www.privatebanking.societegenerale.com.

Luxembourg: This document is distributed in Luxembourg by Societe Generale Luxembourg, a credit institution which is authorized and regulated by the Commission de Surveillance du Secteur Financier ("CSSF") under the prudential supervision of the European Central Bank- ECB, and whose head office is located at 11, avenue Emile Reuter – L 2420 Luxembourg. Further details are available on request or can be found at https://www.societegenerale.lu/. No investment decision whatsoever may result from solely reading this document. Societe Generale Luxembourg accepts no responsibility for the accuracy or otherwise of information contained in this document. Societe Generale Luxembourg accepts no liability or otherwise in respect of actions taken by recipients on the basis of this document only and Societe Generale Luxembourg does not hold itself out as providing any advice, particularly in relation to investment services. The opinions, views and forecasts expressed in this document (including any attachments thereto) reflect the personal views of the author(s) and do not reflect the views of any other person or Societe Generale Luxembourg unless otherwise mentioned. Societe Generale Luxembourg has neither verified nor independently analyzed the information contained in this document. The Commission de Surveillance du Secteur Financier has neither verified nor independently analysed the information contained in this document

Monaco: The present document is distributed in Monaco by Societe Generale Private Banking (Monaco) S.A.M., located 11 avenue de Grande Bretagne, 98000 Monaco, Principality of Monaco, governed by the 'Autorité de Contrôle Prudentiel et de Résolution' and the 'Commission de Contrôle des Activités Financières'. The financial products marketed in Monaco can be reserved for qualified investors in accordance with the Law No. 1339 of 07/09/2007 and Sovereign Ordinance No 1.285 of 10/09/2007. Further details are available upon request or on www.privatebanking.societegenerale.com.

Unless specified, all figures and statistics in this report are from Bloomberg and Macrobond on 5/16/2025 publication completion date. Past performance does not prejudge future performance. Investments may be subject to market fluctuations, and the price and value of investments and the resulting revenues may fluctuate downward and upward. Your capital is not protected, and original investments may not be recovered.