ASSET ALLOCATION
IPE QUEST EXPECTATIONS INDICATOR

▲ **Rise** ↑ Positive shift (from last month)
■ **Stable** – No view
▼ **Fall** ↓ Negative shift (from last month)

IPE polled 61 asset managers this month on their six to 12-month views on regional equities, global bonds and currency pairs as shown below. A summary of the survey appears on page 72.

	Location	EQUITIES US	Euro-zone	Japan	Asia	UK	BOND PRICES $	¥	£	€	CURRENCIES $/€	$/¥	$/£
Actiam	Neth	▲↑	▲↑	▲↑	▲↑	▲↑	▼↓	▼↓	▼↓	▼↓	▲	▲	▲
AllianceBernstein	US/UK	▲	▲	▲↑	■	■	▲	■↓	■↑	■	▲↑	▲↑	▲↑
Allianz Global Investors	Ger/UK	▲↑	▲	▲↑	▲↑	▲	▼	■	▼	▼	▲↑	▲	▲↑
Allspring Global Investments	US/UK	▲	▲	▲	■	■	▼	■	▼	▼↓	▼↓	▼↓	■
Amundi Asset Management	Fra	■	■	■	■	■	▼	■	▼	▼	▲	▲	▼
Apo Asset Management	Ger	■↓	■↓	■↓	■↓	■↓	■	■↑	■	■	▲↑	▼	▲↑
BankInvest	Den	■	■	■	■	■	▼	■	▼	■	▲	▲	▲
Bank J. Safra Sarasin	Swi	▲	■	▲	▲	■	▼	■	▼	▼	▼	▼	■↑
Bantleon Bank	Swi	▲	▲	▲	▲	–	▼	–	–	▼	■	–	–
Berenberg Wealth & Asset Mngt.	Ger	▲	▲	▲	▲	▲	▼	■	▼	▼	▼	■	▼
BNY Mellon Inv. Mngt. EMEA	UK	▲	▲	▲	■	■	▼	▼	▼	▼	■	■	■
CBL Asset Management	Lat	■	■	–	–	–	▼	–	–	▼	■	–	–
Columbia Threadneedle Inv.	US	■	■	■	■	■	■	■	■	■	■	■	■
CPR Asset Management	Fra	▼	■	■	▼	▼	▼	▼	▼	▼	▲	▼	▲
Crédit Mutuel Asset Mngt.	Fra	■	■	■	■	■	▲	■	–	▲	■	■	■
Currency Research Associates	US	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼
DWS Investment	Ger	▲↑	▲↑	▲↑	▲	▲↑	▼	■	▼↓	▼↓	▼	▲↑	▼↓
Econopolis Wealth Management	Bel	▲	▲	▲	▲	▲	▼	■	▼	▼	▲↑	▲↑	▲↑
Edmond de Rothschild AM	Fra	■	■	▲	■	■	▼	■	▼	▼	▲	■↑	▲
Erste Asset Management	At	■	■	■	■	■	▼	■	▼	▼	▲	▲	■
Eurizon Capital	It	▲	▲	▲	▲	▲	▼	▼	▼	▼	▲	▲	▲
Fideuram Asset Management	It	▲↑	▲	▲	▲	▲↑	▼	■	▼	▼↓	▲	▲	▲
Fonditel	Spa	■	■	■	■	■↓	▼	▼	▼	▼	■	■	▼
Franklin Templeton Inv. Solutions	UK	▲	■	▲	▼	■	▼	■	■	■	■	■	■
Generali Investments Europe	Ger/It	▲	▲	▲	▲	▲	▼	▼	▼	▼	▼↓	▼	▼↓
GNB Gestao Activos	Por	▲	▲	▲	▲	▲	■↑	■	■↑	■↑	▲	▲	■
Graphene Investments	Fra	■	■	■↓	▼↓	■↑	▼	■	■	▼	▲	▲	▲
Groupama Asset Management	Fra	■	■	■	■	–	■	–	–	■	■	■	–
Hauck Aufhäuser Lampe	Ger	–	■	–	–	–	▼	▼	▼	▼	■	▲	■
Irish Life Investment Managers	Ire	▲	▲	▲	▲	■↓	▼	■	▼	▼	▼	■↓	▼↓
Janus Henderson Investors	UK	■	▲	▲	■	■	▼	▼	▼	▼	■	■	▲

	Location	EQUITIES					BOND PRICES				CURRENCIES		
	Location	US	Euro-zone	Japan	Asia	UK	$	¥	£	€	$/€	$/¥	$/£
La Française AM	Fra	▼	▼	▼	▼	▼	■	■	■	■	▼	▼	▼
LGT Capital Partners	Swi	▲	▲	▲	■	▲	▼	▼	▼	▼	■	■	■
Lyxor Asset Management	France	■	▲	▲	■	■	■↑	■	▼	▼	■	■	■
Mandarine Gestion	Fra	■	▲↑	■	▲↑	▲↑	▼	■↑	▼	▼	■↓	■	■
Manulife Investment Mngt.	US	▲	▲	▲	▲	▲	▼	▼	▼	▼	■↑	■↑	■↑
MEAG		▲	▲	▲	▲	▲	▼	▼	▼	▼	▼	■	■
Medical Strategy	Ger	■	■	▲	▲	■	■	■	■	■	■	■	■
MFI Asset Management	Ger	▼↓	▼↓	▼↓	▼↓	▼↓	▼↓	▼↓	▼	▼↓	▼	▼	▼
Morgan Stanley Inv. Mngt.	UK/US	■↑	■	■	■	■	■	■	■	▼	■↑	■↑	■↑
Muzinich & Co.	UK	■	■	■	■	■	▼	■	▼	▼	▲	▲	▲
Ninety One	UK	▲↑	▲↑	▲↑	▲↑	▲↑	▲↑	■↑	▲↑	▲↑	▲	▲	■↓
NN Investment Partners	Neth	▲	▲	▲	▲	▲	▼	▼	▼	▼	■	■	■
Northern Trust Asset Mngt.	US	▲	▲	▲	▲	▲	▲↑	▲↑	▲	▲↑	■	▲↑	■
Nuveen	US	▲	▲	▲	▲	▲	▼	■↑	■↑	■↑	■	■	■
Oddo BHF Asset Management	Ger	■	▲	▲	■	■	▼	■	■↑	▼	▼↓	■↓	■
OFI Asset Management	Fra	■	■	■	■	■	▼	■	▼	▼	■↓	■	■
ONE Swiss Bank	Swi	▲	▲	▲	▲	▲	▼	▼	▼	▼	■↓	▲	■
Ostrum Asset Management	Fra	■	■	▲	■↓	▼↓	▼	■	▼	▼	▼	■↓	▼↓
Patrizia	Ger	▲	▲	▲	▲	▲	▼	■	▼	■	▲	■	▲↑
Pictet Asset Management	Swi	■	▲	■	■	▲	▼	▼	▼	▼	■	■	▲
PineBridge Investments	US	▲	▲	▲	■	■	▼	■	▼	■	▲↑	■	■
Putnam Investments	US/UK	■	■↓	■↓	■	■	▼	▼	▼	▼	▲↑	▲	▲↑
Russell Investments	US	▲	▲	■	■	▲	▼	■	▼	▼	▼	■	■
Salus Alpha Capital	Liecht	▲	▲	▲	▲	▲	▲	■	▲	■	■	▲	■
SEB Investment Management	Swe	▲	■	▼	▲	■	▼	■	▼	▼	▲	▲	■
Swiss Life Asset Managers	Swi	▲	▲	■	■	■	▼	■	■	■	▲	▲	■
Tokio Marine Asset Mngt.	Jap/UK	▲	▲	▲	▲	▲	▼	■	▼↓	▼↓	■	■	▲↑
Unigestion	Swi	▲	▲	▲	▼	▲	▼	▼	▼	▼	▼	▼	▼
Union Bancaire Privée	Swi	▲	▲	▲	■↓	■↓	▼	■	▼	▼	▲	▲	▲
Union Investment	Ger	▲	▲	▲	▲	▲	▼	■	▼	▼	■	■	■
% predicting rise (previous month)		57 (50)	59 (56)	63 (59)	44 (44)	44 (42)	8 (5)	2 (2)	5 (5)	5 (2)	36 (36)	37 (36)	31 (21)
% predicting stability (previous month)		37 (42)	36 (39)	30 (34)	44 (46)	47 (49)	13 (15)	67 (63)	21 (16)	23 (32)	41 (39)	48 (42)	50 (60)
% predicting fall (previous month)		6 (8)	5 (5)	7 (7)	12 (10)	9 (9)	79 (80)	31 (35)	74 (79)	72 (66)	23 (25)	15 (22)	19 (19)

ASSET ALLOCATION

IPE QUEST EXPECTATIONS INDICATOR

IPE Quest MANAGER SEARCH • PRE-RFI • RFI • RFP

Being sure of opinions

With all eyes on inflation, political risk is not expressed in market sentiment, perhaps with the exception of the UK.

Asset allocation

Net equity sentiment is very close together in the US, EU and Japan at a level of just over 50, signalling a widespread confidence in the reluctance of central banks to act on interest rates. UK net equity scores remain low. It is not clear what analysts have in mind. Political risk seems the most likely explanation at this point.

Meanwhile, bond scores of the US, UK and EU congregate around 70, a near consensus among analysts and a sign that bonds are still considered useless. Expectations for Japanese bonds rose slightly, making them somewhat more of an outlier this month.

The neutral vote, both on equities and on bonds, went down even more in all areas except Japanese bonds, where it remained more or less stable.

Country allocation

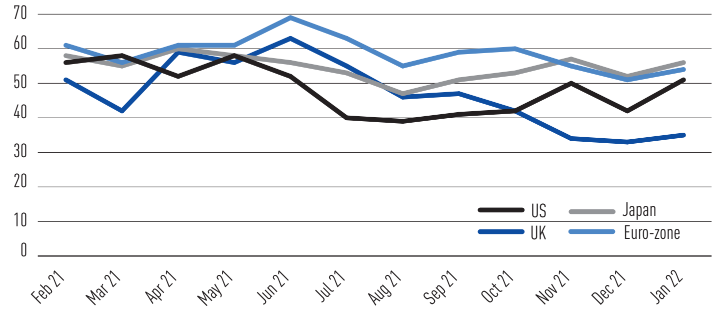
In all areas, confidence in equities is high and stable with the UK increasingly looking like an outlier. In bonds, Japan remains the outlier. The key question here is undoubtedly the different views of central banks, which believe the current high inflation is temporary, and analysts, who see a return of higher inflation.

This difference is at bottom a question of definition of long and short term. In the short run, temporary factors are at work, from China's faltering economy to distribution stress due to COVID-19. Looking further away in time, permanent factors like heavy investing in the energy and food transitions to prevent climate change play a role. However, these investments may ultimately make the cost of alternative energy lower, as is the case already today, due to high oil prices. These trends will likely overlap, so that their effects remain murky and market positions are less based on hard data and more on emotional opinions and perhaps wishful thinking.

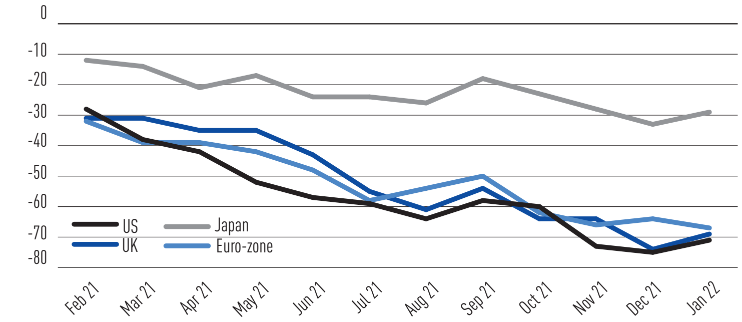
Japanese bonds and UK equity offer complementary positions to those of the mainstream, so that all opinions may be reflected in portfolios.

PETER KRANEVELD, INTERNATIONAL PENSIONS ADVISER, PRIME BV

Net sentiment equities



Net sentiment bonds

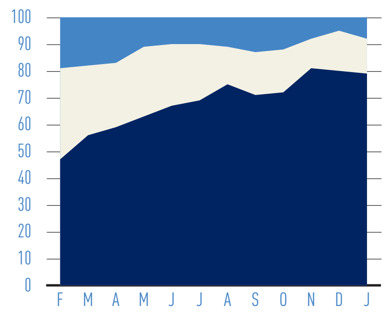


KEY FOR EXPECTATIONS GRAPHS

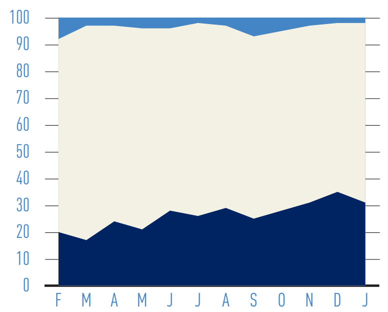
- % of managers expecting rise
- % of managers expecting stability
- % of managers expecting fall

Each month, IPE polls asset managers on their six to 12-month views on regional equities, global bonds and currency pairs as shown below.
For more details see pages 70 and 71

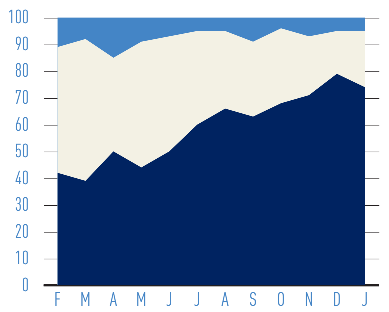
$ BONDS



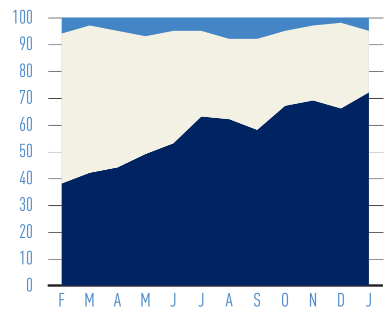
¥ BONDS



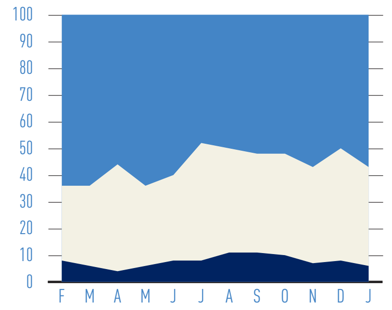
£ BONDS



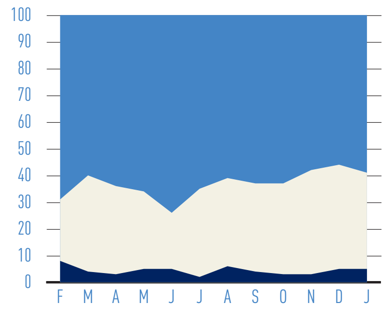
€ BONDS



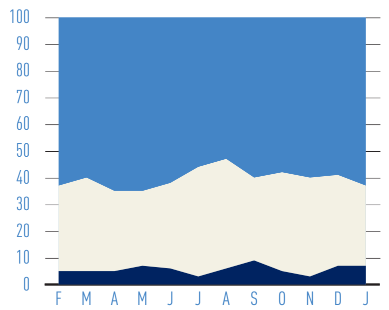
US EQUITIES



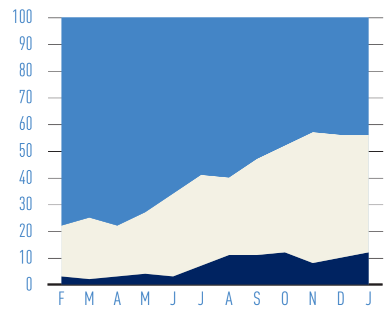
EURO-ZONE EQUITIES



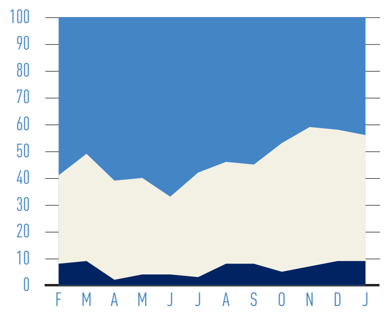
JAPAN EQUITIES



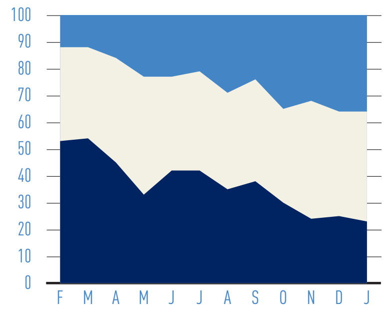
ASIA EQUITIES



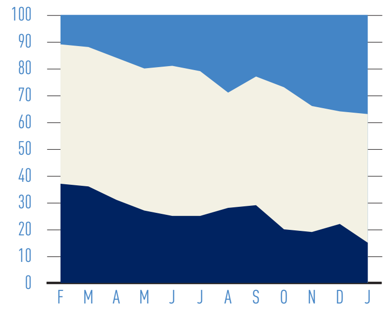
UK EQUITIES



$/€



$/¥



$/£