

ASSET ALLOCATION

IPE QUEST EXPECTATIONS INDICATOR

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

IPE polled 67 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					BOND PRICES				CURRENCIES		
		US	Euro-zone	Japan	Asia	UK	\$	¥	£	€	\$/€	\$/¥	\$/£
Actiam	Neth	■	■	■	■	■	■	■	■	■	▲	▲	▲
Aegon Asset Management	Neth	■	■	■	■	■	■	■	■	■	▼	■	■
AllianceBernstein	US/UK	▲	■	▲↑	■↓	■↓	▼↓	■↓	■↑	■	▼	▼	▼↓
Allianz Global Investors	Ger/UK	■	▲	▲	▲	▲	▼	■	▼↓	▼↓	▼	■	▼↓
Amundi Asset Management	Fra	■↓	▲	▲	▲	■↓	▼	■	▼	▼	▼↓	■	■↓
Apo Asset Management	Ger	▲↑	■	■	■	■	▲↑	■	■	■	▲↑	▼↓	▲↑
Bankhaus Lampe	Ger	–	▲	–	–	–	▲	■	▲	▲	▼	▲	▲
BankInvest	Den	■↑	■↑	■↑	■↑	■↑	■	■	■	■	▲	▲↑	▲
Bank J. Safra Sarasin	Swi	▲	▲	▲	▲	▲	▼	■	▼	▼	▼	▼	▼
Banque Profil de Gestion	Swi	■↓	■↓	■↓	▲	■↓	■	■	■	■	■	■	■
Bantleon Bank	Swi	▲	▲	▲	▲	–	▼	–	–	▼	▼	–	–
BayernInvest	Ger	▲	▲	▲	▲	■	▼	■	■	▼	▼	▼	■
Berenberg Wealth & Asset Mngt.	Ger	▲	▲	▲	▲	▲	▼	■	▼	▼	▼	■	▼
BNP Paribas Asset Management	Fra	▲	▲	▲	▲	▲	▼	▼	▼	▼	▼	▼	▼
BNY Mellon Inv. Mngt. EMEA	UK	■	▲	■	▲	▲	▼	▼	▼	▼	■	■	■
CBL Asset Management	Lat	■↑	■↑	–	–	–	▼↓	–	–	▼↓	▼	–	–
CIBC Asset Management	Can	▲	▲	▲	▲	▲	▼	■	▼	▼	■	■	■
Columbia Threadneedle Inv.	US	■	■	■	■↓	▲↑	■	■↑	■	■	■↓	■↑	■
CPR Asset Management	Fra	■	▲	▲	▲	■	■	■	■	■	▼	■	■
Crédit Mutuel Asset Mngt.	Fra	■	■↓	■	■↓	–	■↓	■	■	■	▼↓	■	■
Currency Research Associates	US	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼
DWS Investment	Ger	▲↑	■	■	■	■	▲↑	■	■	■	▲	■	▲
Eagle Asset Management	US	▲	▲	▲	▲	▲	■	■	■	■	■	▲	▲
Edmond de Rothschild AM	Fra	▲	▲	▲	▲	■↓	▼	■	■	▼	▼	■	▼
Erste Asset Management	At	▲	▲	▲	▲	▲	▼	■	▼	■	▼	■	▼
Eurizon Capital	It	■	■	■	■	■	▼	▼	▼	▼	■↑	■↑	■↑
Fideuram Intesa Sanpaolo	It	▲	▲	■	▲	▲↑	▼	■	■↓	■	■↑	■	▼
Fonditel	Spa	■	■↓	■↓	■	■↓	▼	▼	■↑	▼	■	■	▼
Franklin Templeton Multi-Asset	UK	▲	▼	▲	■	▲	▼	■	▼	■	▼	▼	■
Generali Investments Europe	Ger/It	▲	▲	▲	▲	▲	▼	▼	▼	▼	▼	▼	▼
GNB Gestao Activos	Por	▼↓	▼↓	▲↑	▲↑	▼↓	▼	■	■	■↓	▲↑	▲↑	▲↑
Graphene Investments	Fra	■	■	▲	▲	▼↓	–	–	–	–	■↑	■	▲↑
Groupama Asset Management	Fra	■↓	■↓	■	■	■	■	■	■	■	■	■	–

	Location	EQUITIES					BOND PRICES				CURRENCIES		
		US	Euro-zone	Japan	Asia	UK	\$	¥	£	€	\$/€	\$/¥	\$/£
IPM Informed Portfolio Mngt.	Swe	▼	▲	▼	▲	▼↓	▲	▼	■↑	▼	▼	▼	▼
Irish Life Investment Managers	Ire	▲	▲	▲	▲	▲	▼	■	▼↓	▼↓	▲↑	▲↑	■↑
Janus Henderson Investors	UK	▲	▲	▲	▲	▲	▼	■	■	■	▼	■	■
La Française AM	Fra	▲↑	■↓	■↓	▲	■	▲	■	▲	■	▼	▼	▼
LGT Capital Partners	Swi	▲	▲	▲	▲	▲	▼	▼	▼	▼	■	■	■
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	■↓	■↓	■↓	■↓	■	■	■	■	■	■	■	■
Ostrum Asset Management	Fra	▲	▲	■	▲↑	▼↓	■	■	■	■	▼↓	▼↓	▲
Patrizia	Ger	▲	▲↑	▲↑	▲	▲↑	▼↓	■	■	■	▲↑	■↑	▲↑
PGIM Fixed Income	US	▲	▲	▲	▲	▲	▲	▲	■	■	▼	▼	▼
Pictet Asset Management	Swi	▼	■	▲	▲	■	▲	■	■	■	■	■	▲↑
PineBridge Investments	US	▲	▲	■	▲	▲	▲↑	■	■	■	▼	■	■
Putnam Investments	US/UK	▲↑	▲↑	▲	▲	■	▲↑	■↑	■↑	■↑	▼↓	▼↓	▲
Russell Investments	US	▲	▲	▲	▲	▲	▼	■	▼	▼	▼↓	▼	▲
Salus Alpha Capital	Liecht	▲	▲	▲	▲	▲	▲	■	▲	■	■	▲	■
SEB Investment Management	Swe	■	■	▼↓	▲↑	■	▼	■	■	▼↓	▼↓	■	▼↓
Swisscanto Inv. (Zürcher Kanton.)	Swi	▲	■↓	▲	▲	▲	▼	■	▼	■	■	▼	▼
Swiss Life Asset Managers	Swi	▲	▲	▲	▲	▲	▼	▼	▼	▼	▼	■	■
Sycamore Asset Management	Fra	■	▲	■	-	▼	■	-	▼	▼	▼	▼	■
Tokio Marine Asset Mngt.	Jap/UK	▲	▲	▲	▲	▲	▼↓	■	■↑	■	■	■	■
Unigestion	Swi	▲	■	▲	▲	■	▼	▼	■	■	▼	■	▲
Union Bancaire Privée	Swi	▲	▲	▲	▲	▲	▼	■	▼	▼	▼	▼	▼↓
Union Investment Institutional	Ger	▲	▲	▲	▲	▲	▼	■	▼	▼	■	■	■
Wells Fargo Asset Management	US/UK	▲	■	■	▲	■	▼↓	■↓	▼↓	■↓	▼	▼	▼
% predicting rise (previous month)		64 (64)	60 (69)	60 (63)	75 (78)	51 (59)	18 (19)	3 (8)	8 (11)	3 (6)	12 (12)	12 (11)	25 (22)
% predicting stability (previous month)		30 (28)	36 (23)	35 (32)	23 (19)	40 (33)	26 (34)	80 (72)	53 (47)	55 (56)	34 (35)	52 (52)	39 (43)
% predicting fall (previous month)		6 (8)	4 (8)	5 (5)	2 (3)	9 (8)	56 (47)	17 (20)	39 (42)	42 (38)	54 (53)	36 (37)	36 (35)

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Being sure to disagree

Vaccination figures are rising steadily, but are still at a relatively low level. The US and UK, both important vaccine producers, lead the field with the EU and Japan lagging. As the speed of vaccination has increased, supplies have become a problem, except in the UK. This has caused bad feelings in the EU to the point where a trade war was threatened. New vaccines are in the regulatory pipeline but market shares have largely already been divided in the developed countries. The discovery of new COVID-19 mutations and their resistance to vaccines are an additional risk.

UK sentiment figures have stopped catching up with those of the EU and US. The relief offered by the trade deal with the EU may have been replaced by renewed fears of political risk as the effects of newly adjusted border procedures are hitting home.

Asset allocation

Net equity sentiment in all regions, excluding the UK, are stable at a record high level with uncertainty still at historical lows in the US and Japan. While optimism remains, some of those

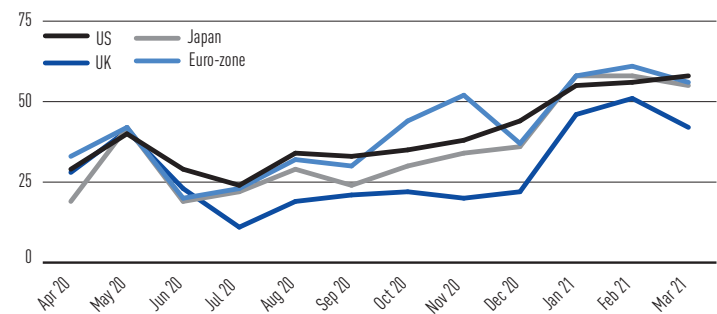
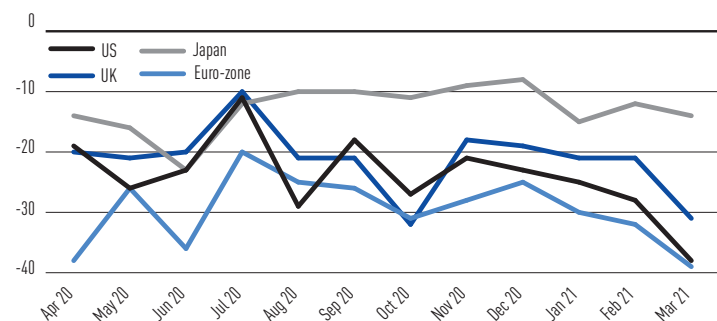
who were uncertain are turning into pessimists. Predictions of stability remain virtually the same in the EU and are on the rise in the UK. It looks like fears and dismissal of a bubble are increasingly polarised.

While US, EU and UK net expectations for bonds have converged at a low level, sentiment in the Japanese bond market remains remarkably stable. This makes that market a prime refuge for those who fear a bursting of the asset bubble.

Country allocation

US net equity sentiment remained stable, while net US bond sentiment fell further. Remarkably, the new US fiscal support package has had no influence on equity sentiment. The US is the prime example of bond sentiment neutrality turning into pessimism. A similar, but less pronounced development took place in the EU. Japan's sentiment figures remained stable, while in the UK, there was a shift from optimism to neutral on equities.

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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

