

ASSET ALLOCATION

IPE QUEST EXPECTATIONS INDICATOR

▲ Rise ↑ Positive shift (from last month)

■ Stable – No view

▼ Fall ↓ Negative shift (from last month)

IPE polled 64 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 76.

	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	■↓	▲	▲	▲	▲	▼	■	▼	▼	▼	■	▼
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	▲	▲↑	▲↑	▲↑	▲↑	■↓	■	▲↑	■	▲	▼↓	▲
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	▲	▲	▲	▲	▲	▼	▼	▼	▼	■	■	■
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	▲	▲	▲	▲	▲	▼↓	▼↓	▼↓	▼↓	▼↓	■↑	▼
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	▲	▲	▲	▲	▲	■↑	■↑	■↑	■↑	▲↑	▲↑	■
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)		56 (64)	64 (60)	65 (60)	78 (75)	61 (51)	17 (18)	3 (3)	15 (8)	5 (3)	16 (12)	16 (12)	18 (25)
% predicting stability (previous month)		40 (30)	33 (36)	30 (35)	19 (23)	37 (40)	24 (26)	73 (80)	35 (53)	51 (55)	39 (34)	53 (52)	43 (39)
% predicting fall (previous month)		4 (6)	3 (4)	5 (5)	3 (2)	2 (9)	59 (56)	24 (17)	50 (39)	44 (42)	45 (54)	31 (36)	39 (36)

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What's that little cloud on the horizon?

COVID-19 vaccination figures are rapidly increasing in Europe despite supply problems. Vaccinations are still restricted to vulnerable groups in many countries although the UK is a notable exception. Some countries have imposed new lockdown measures.

This month's expectations figures generally show more of a consensus among analysts. The few contrary movements observed are hard to explain in relation to changes in political risk.

Asset allocation

In general, net equity sentiment rose again to record levels. The UK figures are in line with other areas for the first time since last July. Continuing tension with the EU, now over vaccine distribution, could change the situation. In the US, equity uncertainty is on the rise but elsewhere and for bonds uncertainty remains low and stable.

Net bond sentiment is plumbing ever-lower levels. Even in Japan, analysts are showing a loss of faith in fixed income. Except in the euro-zone, the neutral vote for bonds is lower than

that for equities, which is unusual.

Country allocation

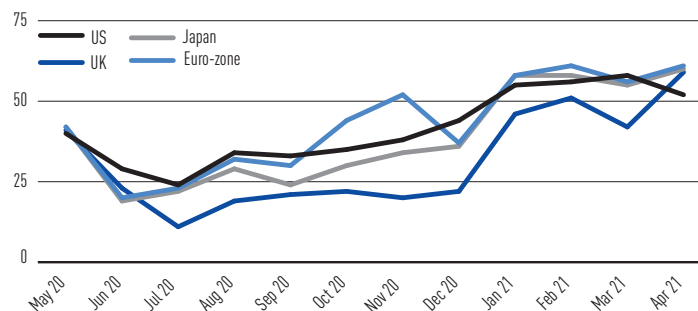
US net equity sentiment saw its first decline since last July. An insignificant correction? Fear of the necessary measures to start paying for the pandemic? Fear of a wave of bankruptcies as support measures are terminated? The big IT companies under siege? It is too early to tell. Even given the slight fall in equity sentiment the gap with bond sentiment remains high.

The gap between euro-zone and UK equity and bonds reached a new record level, but bonds found a floor, at least temporarily, in the euro-zone, while still sinking in the UK. Improved sentiment for UK equity may be the result of high vaccination numbers, opening the possibility of an early relaxation of lockdown restrictions.

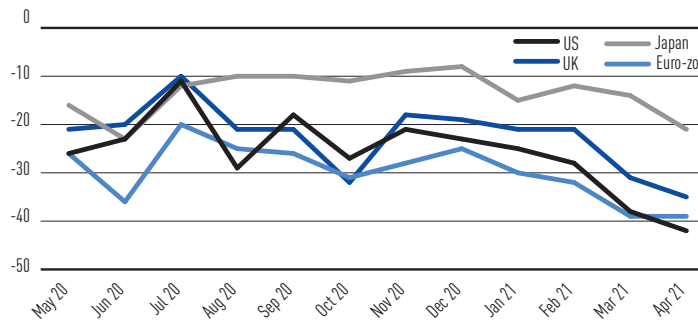
Figures for Japan show a continued increase for equities and decrease for bonds. The gap between the two is by far the largest in the past 12 months.

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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 74 and 75

