

- INVESTMENT

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 is included below the table.

	Location	EQUITIES					BOND PRICES				CURRENCIES		
		US	Euro-zone	Japan	Asia	UK	\$	¥	£	€	\$/€	\$/¥	\$/£
Actiam	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	▲	▲	▲↑	▲	▲	▼	■	▼	▼	▼	▼	▼
Bantleon Bank	Swi	▲	▲	▲	▲	-	▼	-	-	▼	■	-	-
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	■	■	■	▲	▲↑	▼	■	■	▼	■↓	▼	▲
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	■↑	▲	■	■	-	■	-	-	■	-	-	-
Irish Life Investment Managers	Ire	▲	▲	▲	▲	■	▼	■	▼	▼	▼	■	■↑
Janus Henderson Investors	UK	■	■↓	■↓	■↓	■↓	▼	■	▼	▼	▲↑	▲↑	▲↑

	Location	EQUITIES					BOND PRICES				CURRENCIES		
		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	▲	▲	▲	▲	▲	▼	■	■	■	▲	■	▲
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	Ger	▲	▲	▲	▲	▲	▼	■	▼	▼	▲	▲	▲
Wells Fargo Asset Management	US/UK	■↓	■	■	■	■↓	▼	■	▼	■	▲↑	▲↑	▼
% predicting rise (previous month)		50 (48)	61 (65)	53 (56)	60 (59)	54 (58)	11 (10)	3 (2)	5 (5)	8 (5)	29 (21)	29 (21)	25 (17)
% predicting stability (previous month)		39 (44)	33 (33)	41 (41)	29 (34)	38 (39)	14 (21)	68 (72)	29 (35)	30 (32)	36 (37)	43 (54)	41 (48)
% predicting fall (previous month)		11 (8)	6 (2)	6 (3)	11 (7)	8 (3)	75 (69)	29 (26)	66 (60)	62 (63)	35 (42)	28 (25)	34 (35)

**Shared pessimism**

The next wave of COVID-19 has come to pass earlier than expected, largely due to new variants. The UK is hard hit, being sensitive to variants Alpha, Beta and Delta. The EU is next in line, with the Netherlands, Spain and Denmark in the forefront and Delta playing a leading role, but other member states are right behind. There is no sign of the next wave in the US yet, but it is sensitive to the variants Gamma and possibly Alpha, which plays a role in Canada. The number of new injections is falling to a level insufficient for herd immunity. Japan's vaccination campaign started late. The vaccination rate is still quite low and the country is sensitive to Delta.

Meanwhile, domestic economies are opening up to accommodate the summer holiday season or the Olympic Games in Japan. Politicians look unwilling to revert to severe restrictions before September. Developing countries remain at a very low level of vaccinations, creating good conditions for the development of more variants.

**Asset allocation**

Net equity sentiment continues to trend down from a high level. Inflation is

threatening to make a comeback and increasing risk from COVID-19-induced restrictions does not help. Net bond sentiment is also falling, although there is a rebound, possibly a correction, for EU bonds. The best explanation for these two simultaneous developments would be political risk, in particular the new wave of virus contaminations, as other political risk remained largely unchanged.

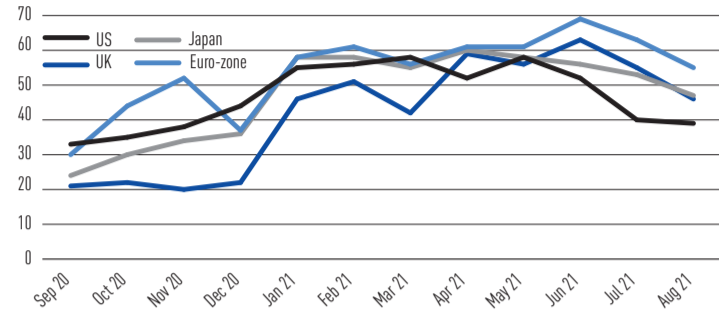
The neutral view on equities has risen above that on bonds in most regions. There is now less uncertainty among analysts on the near future of equity than on expectations for bonds.

**Country allocation**

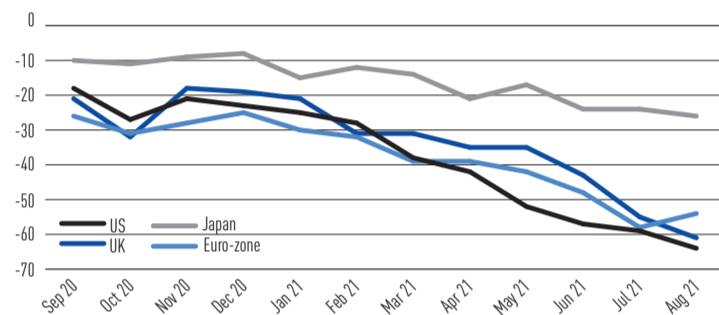
Japan's bond sentiment figures have been a clear outlier for months, ever further away from the other regions. With that exception, expectations for bonds and equity remain closely correlated, ignoring significant differences between regions, such as higher inflation and a larger share of vaccine refusers in the US.

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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. For more details see previous pages.

