

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	▼↓	▼↓	▼↓	▼↓	▼↓	▼↓	▼↓	▼↓	▼↓	■	■	■
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	▼	▼	–	–	–	▲	–	–	■	▼	–	–
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	■	■↑	■	■↓	–	■	■	■	■	■	■	–
IPM Informed Portfolio Mngt.	Swe	▼	▲	▼	▲	▲	▲	▼	▲↑	▼	▼	▼	▼
Irish Life Investment Managers	Ire	▲	▲	▲↑	▲	■	■	■	▲↑	■	▼↓	▼↓	■↑

	Location	EQUITIES					BOND PRICES				CURRENCIES		
		US	Euro-zone	Japan	Asia	UK	\$	¥	£	€	\$/€	\$/¥	\$/£
Janus Henderson Investors	UK	▲	▲↑	▲	▲	▲↑	▼↓	■	■↓	■	▼↓	■↑	■
La Française	Fra	■	▲	■	▲	■	▲	■	▲	■	■	▼	▼
LGT Capital Partners	Swi	▲	▲	■	▼	■	▼	▼	▼	▼	■	■	■
Lyxor Asset Management	Fra	■	▼	■	▲	■	■	■	■	■	■	■	▲
Mandarine Gestion	Fra	■	▲	■	■	■	■	■	■	■	▼	■	▲
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	■	■	▼↓	▲↑	■	▼	■	■	■	▲↑	▲↑	▲↑
Stone Harbor Inv. Partners	UK	■	▲	▲	▲	■	■	■	■	■	▼	■	▼
Swisscanto Inv. (Zürcher Kanton.)	Swi	▲	▲	■	▲	▲	▼	■	■	■	▼	▼	▼
Swiss Life Asset Managers	Swi	▲	▲	▲	▲	▲↑	▼	■	▼↓	■↑	■↑	■↑	■
Sycomore 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 [53]	67 [50]	65 [40]	72 [66]	56 [38]	18 [11]	3 [5]	12 [7]	3 [3]	12 [15]	8 [11]	20 [26]
% predicting stability (previous month)		27 [38]	24 [37]	28 [56]	20 [26]	34 [46]	39 [55]	79 [82]	55 [67]	64 [69]	36 [42]	48 [52]	44 [44]
% predicting fall (previous month)		9 [9]	9 [13]	7 [4]	8 [8]	10 [16]	43 [34]	18 [13]	33 [26]	33 [28]	52 [43]	44 [37]	36 [30]

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A choir of optimists

US COVID-19 figures were rising rapidly at the time of writing. Western European figures were divided. Many showed a climbdown from the second wave but Germany, the UK and the Netherlands were faced with growing figures. Japan's statistics were up, forming a third wave. In a few weeks, we will know how the deployed vaccines work in practice.

Analysts are almost unanimous in perceiving lower political risk. It has gone down in the US with the election of Joe Biden as president, in the UK with the sacking of Dominic Cummings as a prime ministerial adviser, and globally with COVID-19 vaccines starting to be deployed. Yet risk remains: a political deadlock in the US, the Irish border upsetting a trade agreement and the threat of widespread refusal to be vaccinated. Meanwhile, economists persist in predicting a recession.

Asset allocation

Equity sentiment is brimming with optimism as the political and health situations improve. So far, the impediments to vaccine distribution seem technical, so that they can be overcome.

The risk is unforeseen health complications among those vaccinated first. If that happens, it seems likely that the UK would suffer most. UK sentiment has caught up with those of the other areas but is still lagging those of the US, EU and Japan, that have converged on a 12-month high level.

Net bond sentiment is stable. Expectations are converging, as those for Japan are descending. In all areas, the distance between equity and bond expectations grew.

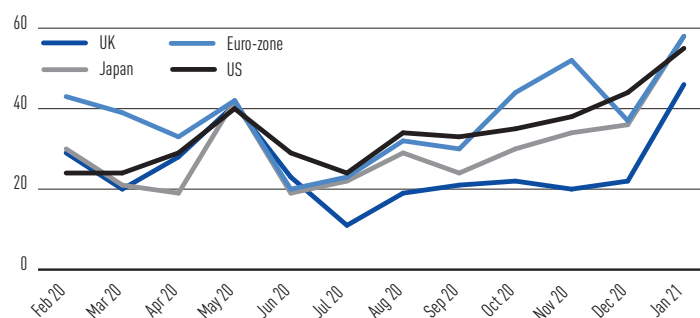
Country allocation

The upward trend of US net equity expectation continued, while bonds continued their slow slide. EU equity figures resumed their rise to an unprecedented level while bond figures remained flat. Japanese and UK figures showed a similar trend.

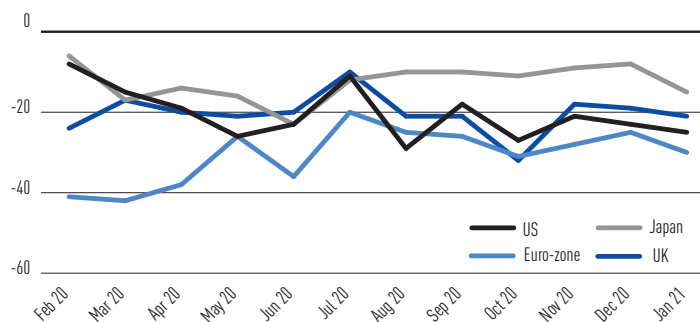
Unsurprisingly, all of the neutral votes went down, often sharply, with the interesting exception of EU bonds, where doubt and uncertainty increased slightly.

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INTERNATIONAL PENSIONS
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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

