ASSET ALLOCATION
IPE QUEST EXPECTATIONS INDICATOR

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

IPE polled 39 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 3.

	Location	EQUITIES					BOND PRICES				CURRENCIES		
		US	Euro-zone	Japan	Asia	UK	$	¥	£	€	$/€	$/¥	$/£
AllianceBernstein	US/UK	▲	■	▲	▲	■	▲	▼	■	■	▼	▼	■
Allianz Global Investors	Ger/UK	▲↑	▲	▲	▲	▲	■	▼	▲	▲	▼	■	■
Allspring Global Investments	US/UK	▲	▲	▲	▲	▲	▲	▼↓	▲	■	▼↓	▼↓	▼↓
Amundi Asset Management	Fra	–	–	–	–	–	▼	▲↑	▲	▼↓	▼	▼	▼
Apo Asset Management	Ger	▲	■	▲↑	■	■↓	▲↑	▼	■	■↑	■	▲↑	▲↑
Bank J. Safra Sarasin	Swi	■	▲	▼	▼	▼	■↓	■	▲	▲	▼	▼	■↑
Bantleon AG	Swi	■	▲	▲	▲	–	▼	–	–	▼	▼	–	–
Berenberg Wealth & Asset Mngt.	Ger	▲	▲	▲	▲	■↓	▼↓	■	■	■	■↑	▼	■↑
BNY Advisors Investment Institute	UK	■	▼	■	■	▼	▼	■	▲	■	–	–	–
CBL Asset Management	Lat	■	■	–	–	–	■↓	–	–	▲	▲	–	–
Columbia Threadneedle Inv.	US	■	■	■↓	■↓	■	■	■	■	■	■	■	■
Crédit Mutuel Asset Management	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	■	▲	■	▲	■	■	■	■	■	▼	■	▼
Generali Asset Management	Ger/It	▲↑	▲	▲	▲	▲	▲	▲	▲	▼	▼	▼	▼
GNB Gestao Activos	Por	▲	▲↑	▲	▲	▲↑	■↓	▼	■↓	▼↓	▲↑	▲↑	■

	Location	EQUITIES					BOND PRICES				CURRENCIES		
		US	Euro-zone	Japan	Asia	UK	$	¥	£	€	$/€	$/¥	$/£
Graphene Investment	Fra	■	■	▲	■	■	–	–	–	–	▲↑	■↑	■
Irish Life Investment Managers	Ire	▲	▲	▲	▲	■	▲	■	▲↑	▲	▼	■↑	■
Mandarine Gestion	Fra	■	■	■	▲	■	■	■	▲	■↓	■	▼	■
MEAG		■↓	■↓	■↓	■↓	■↓	▼	■	■	■	▼↓	■	■
MFI Asset Management	Ger	▼	▼	▼	▼	▼	■	■	■	■↓	▼	▼	▼
Morgan Stanley Inv. Mngt.	UK/US	▲↑	▲	■↓	■↓	■↓	▲	■	■	■	■↑	■↑	■
Muzinich & Co.	UK	▲↑	▲	■↓	▲↑	■	■↓	▼	▲	■	■↑	▼	■↑
Ninety One	UK	▼	▲	▲	▲	▲	▲	▼	■	▲	▼	▼	▼
Oddo BHF Asset Management	Ger	■	■	■	■	■	■	▼	▲	▲	■	▼	■
Ofi Invest Asset Management	Fra	▲	▲	▲	▲	▲	▲	■↑	▲	■	■	■	■
ONE Swiss Bank	Swi	■	■	■	■	■	▲↑	■	▲↑	▲↑	■	▼	■
Ostrum Asset Management	Fra	▲↑	▲↑	▲↑	▲↑	▲	▼↓	▼↓	▼↓	▼↓	▼↓	■	▼↓
Pictet Asset Management	Swi	■	■	■	▲	■	▼↓	■	■	■	▼	■	■
PineBridge Investments	US	■	■	■	■	■	■	■	■	■	▲	■	■
Russell Investments	US	▲↑	■	▲↑	▲	■	■↑	■	■↑	■↑	▼↓	■↑	▼↓
Salus Alpha Capital	Liecht	▲	▲	▲	▲	▲	▲	■	▲	■	■	▲	■
Union Bancaire Privée	Swi	▲	▲	▲	▲	■	■	■	■	■	■↑	■↑	■
Union Investment Institutional	Ger	▲↑	▲↑	–	▲↑	▲↑	▼	▼	■	■	▼	▼	▼
% predicting rise (previous month)		47 (36)	50 (46)	50 (47)	57 (55)	31 (38)	34 (47)	6 (3)	44 (43)	26 (32)	11 (8)	9 (6)	3 (3)
% predicting stability (previous month)		42 (49)	39 (44)	39 (42)	32 (34)	61 (54)	44 (37)	58 (66)	53 (54)	61 (58)	32 (29)	40 (28)	59 (56)
% predicting fall (previous month)		11 (15)	11 (10)	11 (11)	11 (11)	8 (8)	22 (16)	36 (31)	3 (3)	13 (10)	57 (63)	51 (66)	38 (41)

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Political risk

Now that the US plan for peace in Ukraine has been unveiled, the ball is in Russia's court, but Putin's irrational character means that EU enterprises lining up for the peace bonus may well be disappointed. Meanwhile, Trump is losing support domestically and could become a sitting duck even before the US mid-term elections.

Asset allocation

Markets are predicting that the economy will grow with Trump incapacitated. Net equity sentiment statistics are generally up, except in the UK.

Net EU and US bond statistics are at a 12-month low and drifting down, stable in Japan,

and mounting in the UK.

For both the EU and the US, the neutral vote is down for equity and up for bonds. Uncertainty is receding for Japan and unchanged for UK assets.

Country allocation

A steep drop for US bond expectations and another rise in equity expectations has brought the EU and US in a similar position, with Japanese equity expectations following suit. The UK is a clear outlier, with a stable preference for equities, but a rising preference for bonds. It is not clear what this pessimism is based on.

PETER KRANEVELD, INTERNATIONAL PENSIONS ADVISER, PRIME BV

Net sentiment equities

Legend: US, Japan, UK, Euro-zone

Net sentiment bonds

Legend: US, Japan, UK, Euro-zone
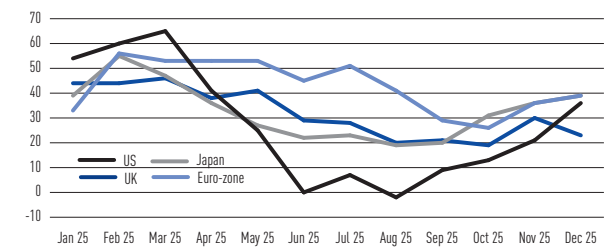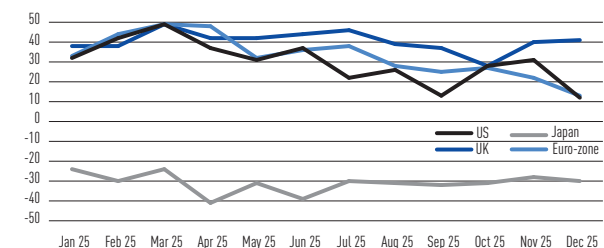
KEY FOR EXPECTATIONS GRAPHS
- % of managers expecting rise
- % of managers expecting stability
- % of managers expecting fall

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 2 and 3
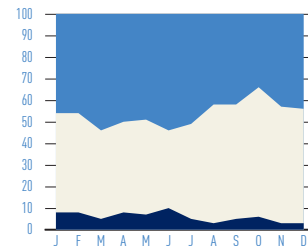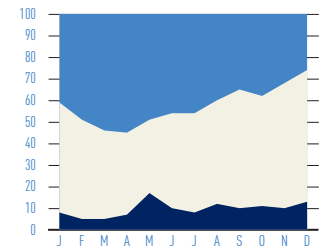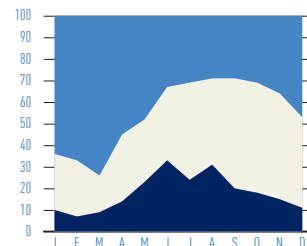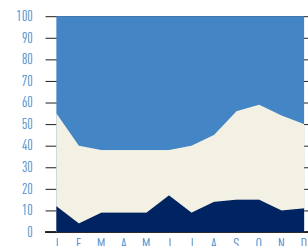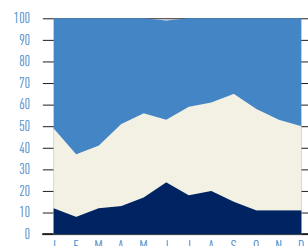

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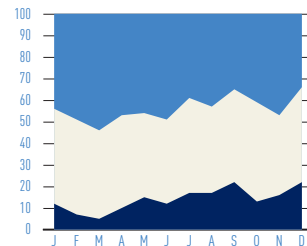
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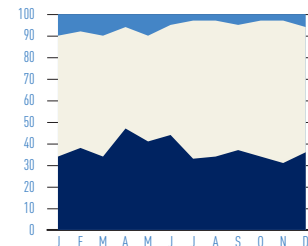
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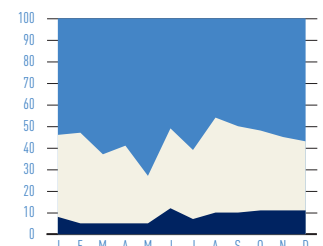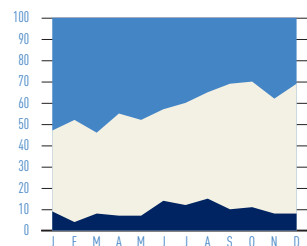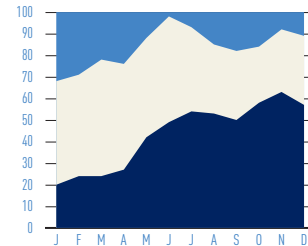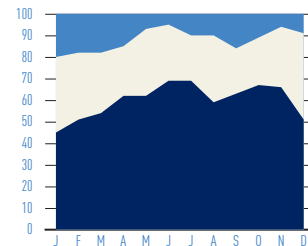€ BONDS

US EQUITIES

EURO-ZONE EQUITIES

JAPAN EQUITIES

ASIA EQUITIES

UK EQUITIES

$/€

$/¥

$/£